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# THE PRAIRIE ECONOMIC COUNCIL, 1965-1973

by

(C) HOWARD ALFRED LEESON

A THESIS

SUBMITTED TO THE FACULTY OF GRADUATE STUDIES AND RESEARCH

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1983

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## ABSTRACT

This thesis deals with the history and activity of the Prairie Economic Council, an organization of Canadian prairie provincial Premiers, in existence between 1965 and 1973. In particular it attempts to analyze this type of organization from the perspective of regionalism and region-building in Canada. Although it is a case study of one organization it is organized in a manner which allows the theoretical approach developed to be used in studying similar organizations in Canada, as well as in other federal countries. The model is, in that sense, transferable.

The study relies heavily on primary sources, including the original Minutes of the Prairie Economic Council, heretofore confidential, and interviews with the actual participants. As such, it should be of interest to all of those searching for the well-springs of political activity in western Canada. It stands, at this point, as the only comprehensive study of the Prairie Economic Council in existence.

ACKNOWLEDGEMENTS

I wish to acknowledge all of those who at some point in the long process, helped me to complete this project. Although only one name appears as the author, in reality it is the work of many people, writing, typing, encouraging, and contributing time to criticism and re-drafting. My thanks to all of you.

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Finally, there is the one person closest to the author who gave of herself, not only in obvious ways, but also in the more subtle, loving encouragements found only in the intimate relationship of husband and wife. To you Ede, I dedicate this work.

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# INTRODUCTION

In September of 1965 the governments of Alberta, Saskatchewan and Manitoba created a regional organization called the Prairie Economic Council.[1] Its original goals were quite modest, with emphasis on inter-provincial co-ordination and co-operation across a broad front of provincial government activities.[2] There was little in its original mandate that would seem to herald the creation of an important organization of prairie leaders.[3]

The formation of the Prairie Economic Council marked the first time that the governments involved had entered into a multi-functional regional organization of First Ministers.[4] Indeed, it was one of only two such organizations formed after World War II.[5] As such, one might expect that by now it would have been the subject of considerable study, if for no other reason than the scarcity of such examples of regional organization in Canada.[6] As with other examples of inter-provincial co-operation, however, it has been largely ignored.[7] Indeed, more importantly, one of the most acknowledged authors on prairie regionalism has dismissed the importance of the Council in the following manner:

In 1965 the Prairie Economic Council was formed

> consisting of the three prairie premiers. Established to address regional problems common to the three Prairie provinces its attention was primarily focussed on specific technical questions and intra-regional policy coordination; 'no attempt was made to convey a "western canadian" viewpoint to the federal government.' The public profile of the Council was low and its impact on prairie governments limited.[8]

Such a conclusion may be warranted, but it rests on a very small amount of evidence, especially since no exhaustive study of the Prairie Economic Council has ever been undertaken. It is difficult to imagine that eight different Premiers, meeting twelve times over eight years, and dealing with some two hundred and ten different agenda items failed to have more than a limited impact on prairie governments.[9]

Although the public profile of the Council was indeed low, and it did concentrate some of its early attention on technical, intra-regional questions, a close examination reveals that the existence of the Council was vital to the development of regional policy positions on a variety of federal-provincial issues. It is clear from the Council's Minutes that it did develop common policy positions and it did convey a "western Canadian viewpoint" to the federal government at appropriate times.[10] Ultimately the Council was transformed in order to aggregate regional opinion on a wide variety of subjects at the Western Economic Opportunities Conference in 1973. There is little doubt that it played

a key role in developing a "regional consciousness" at the political and bureaucratic elite level in the three prairie provinces. A full examination of the Minutes from the Council should provide further evidence about the relative importance of the Prairie Economic Council.

More importantly, it should also provide the necessary data to test an hypothesis about the role of regional organizations of governments. A considerable body of literature assumes that the formation and continued existence of such organizations is strong evidence of increased regionalism, at least at the elite level.[11] The linkages of increased regionalism at the elite level to the general population are unclear, although some authors assume that such regionalism has some impact on the attitudes and behaviour of the general population.[12] It raises the possibility that there could be conflicting or even contradictory trends of regionalism between the political elites and the general population.

This seems to have been the case in western Canada. At a time when the economic and social cleavages, outlined by Gibbins,[13] which supported the regionalisms of the decades prior to 1960, appear to have been waning, systemic and structural forces were creating conditions which made possible new regional responses by political leaders. Indeed, some political leaders seem to have grasped

the significance of fundamental changes to Canada's federal system much more quickly than others on the prairies. Thus, the formation and changes to the role of the Prairie Economic Council between 1965 and 1973 present in microcosm the regional response to these profound changes in Canadian federalism.

It is the thesis of this study that the formation and continued existence of the Prairie Economic Council provides evidence of increased regionalism at the elite level in the three prairie provinces during the period 1965 to 1973. It is further asserted that type and strength of the activity by the Council reveals that the role of the Council changed importantly during its eight year history. The change was the result of three major considerations. First, there was a continuing perception that it was necessary to aggregate political power in the region to offset the natural political advantage enjoyed by central Canada as a result of its larger population. Second, the role of provincial governments changed substantially after World War II, bringing with it a new activist role and attention of federal-provincial matters. Third, the political imperatives of the Premiers who succeeded the original "fathers" of the Prairie Economic Council were less attuned to the intra-regional goals of the founders, and more directed toward extra-regional matters.

What follows then is an attempt to evaluate the importance of the Prairie Economic Council, and in so doing to assess carefully previous claims that it played a relatively minor role only minimally related to the history of western Canada.

## FOOTNOTES

[1]Notes on Prairie Provinces Economic Council, R. M. Burns, August 5, 1965.

[2]Proceedings of the First Meeting of the Prairie Economic Council, October 14, 1965, Regina, Saskatchewan.

[3]Ibid.

[4]A search of historical data has produced no other examples.

[5]A. A. Lomas, "The Council of Maritime Premiers: Report and Evaluation After Five Years," in Canadian Federalism: Myth or Reality, J. Peter Meekison, editor, third edition, (Toronto: Methuen, 1977), p. 353.

[6]No study to date has dealt exclusively with the Prairie Economic Council although some have mentioned it in connection with more general studies on western regional co-operation. See M. Westmacott and P. Dore, "Intergovernmental Co-operation in Western Canada: The Western Economic Opportunities Conference," in Canadian Federalism: Myth or Reality, J. Peter Meekison, editor, third edition, (Toronto: Methuen, 1977), p. 340, or Gerry T. Gartner, "A Review of Co-operation Among the Western Provinces," Canadian Public Administration, Spring, 1977, vol. 20, no. 1.

[7]Richard Leach noted this in 1959. His observations appear relevant over twenty years later. See Richard H. Leach, "Inter-Provincial Co-operation: Aspects of Canadian Federalism," Canadian Public Administration, vol. II, no. 3 (June, 1959), p. 84. See also comments by D. V. Smiley, Canada in Question: Federalism in the Eighties, third edition, (Toronto: McGraw-Hill Ryerson Limited, 1980), pp. 104-108.

[8]Roger Gibbins, Prairie Politics and Society Regionalism in Decline, (Toronto: Butterworth and Company (Canada) Limited, 1980), p. 203. These assertions by Gibbins are only partially correct. He bases them on a quote from Dore and Westmacott, who refer only to the period prior to 1968, and not, as one would assume from the quotation, the period 1968-1973. Dore and Westmacott did not have access to Council Minutes, and were therefore unaware that common policy positions were developed and presented to the federal government by the Council prior to 1968.

[9]Minutes and Proceedings, The Prairie Economic Council, 1965-1973.

[10]Ibid.

[11]See footnotes in Chapter One on Schwartz, Haas, Feld, etc. The literature asserting this is discussed in some detail.

[12]Ibid.

[13]Gibbins, See Chapter One.

# CHAPTER ONE

## A THEORETICAL APPROACH TO REGION-BUILDING

The formation of the Prairie Economic Council in western Canada in 1965 raises important questions about how concepts like region and regionalism are defined, and to what extent organizations like the Prairie Economic Council provide evidence to support assertions about the growth or attenuation of regional political behaviour. As we will see later, some models purporting to explain this kind of behaviour assume that the mere existence of such organizations, that is the creation of political structures of a regional nature, is sufficient evidence to conclude that some process involving the building of a political community is underway.[1] When that occurs it is natural to assume that such a process would be related in some way to pre-existing manifestations of similar political behaviour, either in degree or in kind. Such may be the case, but the inter-relationship of political behaviour and the social, economic and political cleavages which support it, is most often quite complex. It is possible that the creation of a political entity

like the Prairie Economic Council could be generated in part by new processes, unrelated to older, more established cleavages. Where this happens there may be a reinforcement of pre-existing regional differences at the precise time that previous support bases for older behaviour patterns are fading within the system.

Whatever its ultimate relationship to other regional cleavages the Prairie Economic Council is obviously linked to a rich history of prairie regionalism. In part its creation and continued existence can be explained in terms of broad historical themes or patterns of political behaviour in western Canada. The creation of regional organizations on the prairies, to understate the case, cannot be considered an unique phenomenon. The formation of a formal, regional organization of prairie governments was, however, a new departure. It was regionalism of a different kind. Its examination should provide us with some useful insights into the political processes which were responsible for this new structure.

In its broadest sense to speak about a region, such as the prairies, is to speak about a community. That community may be defined in a number of ways. Ira Sharkansky, author of a major work on American regionalism, has outlined four types of regions, based on his review of the literature dealing with the subject.

The first is a "natural area that is made distinct by geographical, climatic, or agricultural features. . . ."[2] Such regions may or may not be bounded by mountains, rivers, or other natural obstacles. The second region is economic in character, involving similarities of economic pursuit.[3] The third type of region is one which he says, "supports loyalties, patriotism, self-identification and cultural folkways." He defines this as a cultural region. He gives as examples in the United States, the old South, and New England.[4] The final division he proposes is the administrative region, both public and private.[5] All four "types" of region could conceivably exist in a single geographical area. This kind of approach to defining region has been adopted by a number of scholars.[6] It involves categorizing attributes or behaviour which are perceptibly distinct from similar functions or attributes in other regions.

The element of distinctiveness, of cleavages or differences, is intimately associated with the concept of region. One conceives of the regions of Canada, for example, as distinct, non-continuous, or discontinuous from each other. The concept of discontinuity is one which arises often in definitions:

> A regionalized country is one with different identifiable, institutional subsystems. In other words, is one in which the total institutional system is segmented into subsystems, the segmentation

> occurring along territorial lines. Regions correspond to a clustering of individual and collective activities and to discontinuities in the interactions among groups, individuals, and organizations.[7]

Obviously, such discontinuities can be economic, social, cultural, or even political. For the purposes of this study it is both convenient and necessary to emphasize political definitions of region in Canada. Thus, it agrees with Mildred Schwartz:

> It is possible to define Canadian regions in a number of ways, according to ecological, physiographic, climatological, economic, or political criteria. In keeping with the focus on political life in this volume, we use as our principal boundaries those that have political relevance. . . .[8]

The reason for spending some time on definitions of region, when the prairies are traditionally accepted as one of the regions in Canada, is founded in the need to approach with care the concepts of region and regionalism. If an area is designated as a region because of, as Sharkansky puts it, "natural" features or attributes, it may continue to exist as a concept regardless of the activities of the human community resident in the region. If, however, it is perceived as a region because of variables dependent on the existence or behaviour of the human population, it may cease to be considered a region when such distinctive behaviour ceases. In the latter case a concept of region exists because of behaviour. Behaviour defines the area. Geography is not the cause of behaviour. This study is interested in the behaviour associated with

a region, usually referred to as regionalism:

> A region is a homogeneous area with physical and cultural characteristics distinct from those of neighboring areas. As a part of a national domain, a region is sufficiently unified to have a consciousness of its customs and ideals and thus possess a sense of identity distinct from the rest of the country. The term 'regionalism' properly represents the regional idea in action as an ideology, as a social movement, or as the theoretical basis for regional planning; it is also applied to the scientific task of delimiting and analyzing regions as entities lacking formal boundaries.[9]

Regionalism, the behaviour associated with the region, must be distinct from other regions to be observable. Roger Gibbins asserts that there are two dimensions to such distinctiveness:

> . . . If now or in the past the three Prairie provinces are to be considered as a political region then the pattern of political behavior on the Prairies must be <u>distinctive</u>. The character of prairie politics must be clearly distinguishable from that of the nation as a whole or from that of other regions in Canada. Secondly, common patterns of political behavior that transcend provincial boundaries on the Prairies must be evident. In other words, there must be some <u>homogeneity</u> of political behavior across the three Prairie provinces. Thus in examining the regional character of prairie politics attention will be fixed on these two principal indicators of regionalism: distinctiveness and cross-provincial homogeneity.[10]

Understandably Gibbins goes on to caution the reader that selecting the criteria to be used in deciding what conditions are examined can be a major obstacle, since no region is likely to be completely homogeneous.

Regionalism, or the "action" referred to above, is a difficult concept to operationalize. At one level it is

clearly the output variable of a social process that has as a result the identification of individuals or groups with others of a specific territory. Such a process may be economic, social, or political. The output, as described by some authors, may be attitudinal or behavioural.[11] Attitude and behaviour are inter-related and mutually reinforcing in many processes. Behaviour is an observable phenomenon, but establishing with any precision the attitude of groups or individuals has been done with only limited success.[12] Thus, attitude is usually inductively inferred from behaviour which appears to be region-specific and generated from regionally identifiable input variables. Such a process is obviously fraught with difficulty since one is always subject to the temptation of selecting only the behaviour which supports hypotheses about certain attitudes. The selection of independent variables and the establishment of causal linkages between the dependent behaviour and the selected variables is a process that should daunt even the most seasoned researcher. Scholars dealing with regionalism in the international system are quite familiar with this problem.[13]

Thus, narrowing the research problem involved is quite important to this study since it may be impossible to infer general attitudes or behaviour from the study of one set of regional behaviours. The regionalism involved in this study is of a specific nature. It is political

behaviour, by political actors. It involves in the main, only the political elite of the prairie region, although other subgroups are obviously affected. Most importantly, it involves a formal association of provincial governments within the Canadian federation over a specific period of time. As such the parametres of the study are more readily identifiable than in some other more general studies.[14]

The major questions involved for this study are the same as for others. What generated the behaviour involved? What was the behaviour and how should we categorize it? How should we evaluate the behaviour and what were the consequences for, in this case, the region? In order to answer these questions it is necessary to outline clearly both a model of analysis and some of the assumptions underpinning it.

First, this study assumes that the decisions of political leaders are an important input variable into any political process. We agree with Smiley, Black, Cairns, and others that political behaviour is not the passive outcome of other active ingredients in the society.[15] An obvious corollary assumption is one shared with Mildred Schwartz that the more important the political actor the more critical his decision for the society.

The second premise flows from the first. We assume that if political decisions can be an important input variable in a general sense, they can also be in

the specific case of regional political behaviour. As Schwartz says:

> What this means is that whenever political actors (and obviously, the more critical their position in the social structure, the more impact they will have) use regionalism as a guide to decision-making, the differences will be preserved or strengthened. In other words regionalism enters the political process as a means of continuing existing differences, either in the pre-existing conditions or in other areas of life.[16]

Her opinion is buttressed by Gibbins, Sharkansky, Haas and others.[17]

Our third assumption flows from the first two. If the behaviour of political actors is an important input variable into regionalism and regional political behaviour, then the more often and the more regularly that region is considered in conjunction with the behaviour of political actors, the more important it is as an independent variable in the process.[18] Thus, one would expect that where political actors engage in highly regularized or institutionalized behaviour of a regional nature the likelihood that region will be an important input into provincial political decision-making is enhanced.[19] This does not mean, however, that the output of such a process will necessarily have major consequences for the region, or that it will necessarily become a major support system for continued regionalism. Such a conclusion would await examination of the specific behaviour involved.

We need to consider carefully, therefore, the dual

theoretical role of the Prairie Economic Council. Initially the Council provides evidence to support our contention that there was increased regionalism at the elite level during this period of time. The formation of the Council, the attempts to rationalize the delivery of certain social services on the prairies, and the development of common positions on federal-provincial matters, are all evidence that region was an important consideration to political decision-makers at this time.

In accepting the three premises outlined above, however, we must recognize that the very existence of the Council, and the behaviour associated with it, have the potential to become one of the sustaining inputs into the persistence of regional attitudes or behaviour. In other words, the dependent variable in this study must also be considered in its potential role as an independent variable. As an example, the success of the Premiers in securing changes to federal policies on constitutional change or economic policy by aggregating their positions through the Prairie Economic Council was an important consideration in the willingness of Premiers to use the Council for such purposes in the future. The structure not only responds to its environment, it will to some degree help to shape it. Thus, our conclusions must involve some analysis of the Council's impact on the involved political actors, as well as the reverse.

Armed with these assumptions it is now possible to turn to the task of constructing a model which will allow us to more fruitfully categorize our observations and, hopefully, analyze the results of political behaviour by political actors and elites.

Two bodies of literature seem to be most important for the scholar attempting to study a regional organization like the Prairie Economic Council. They are regional integration theory, and the literature on province-building. Both are concerned at their base with the intensity of attachment and loyalty to political units or systems, and how that loyalty or attachment changes as a result of the behaviour of political elites. The former concerns itself with trying to explain why sovereign states form regional organizations and regional associations, and how loyalties to existing states are affected.[20] Province-building concerns itself with existing semi-sovereign political units within the Canadian federation, and the processes by which the political elite of those units intervenes to strengthen provincial political communities and their position within the federation.[21]

It is not necessary to completely review the literature on regional integration theory for this study. At the heart of functionalist and neo-functionalist theory, for example, are several assumptions. First, they rely heavily on notions of interdependence. Webs of

regional economic and social interdependencies are perceived to be responsible for certain political responses.[22] The political responses are perceived to result from pressure by interest groups on their national political elites. The result is a more rationalized political response to the needs of economic and social interdependencies. Second, in most cases the appropriate political response to the situation seems to be the creation of some form of regional political institution.[23] The sovereignty of the newly created regional institution, or, put conversely, the degree of sovereignty renounced by the involved states, is usually a key indicator of the degree of political or regional integration involved. Thus, the political "flow" is from the bottom to the top, with political elites responding to pressures from interest groups, economic elites, etc., for increased political integration in the region.

A second school of thought amongst scholars studying regional integration has reversed the direction of political decision-making. They acknowledge the importance of interdependence, but assert that political mechanisms to complement such needs will only be sanctioned by political actors where they feel that such political action will further other, more complex, state objectives. They also accept institutionalization and the transfer of limited amounts of sovereignty as measures of regional integration.[24]

The major problem for the former approach lies in its passive concept of political action. Political decisions are perceived as the dependent variable, and not as an input into a continuing process. The second approach, while overcoming the major defect of the first approach concerning the active role of political inputs, creates for itself a theoretical conundrum by relying heavily on national interest explanations. Since there are always political costs associated with the loss of sovereignty it is conceivable that at some point it would not be in the national interest to transfer more sovereignty to an outside body, regardless of the scale of benefits in other areas. In other words, there appears to be a point at which an inverse relationship exists between national interest and the transfer of national sovereignty. It is difficult to perceive how the result of such a process could ever be political union, which may be an implicit assumption, but one that is not clearly stated. Finally, both approaches largely ignore the importance of regional bureaucracies as a major input variable into the process.

For this study four considerations seem to be important. First, most of the authors involved now agree that the activities of political elites are an important element in the process of regional integration. Such a conclusion agrees with our first and second premises. Second, they infer from the creation of regional institutions

that a process of regional integration is underway. Put another way, the creation of such an institution is considered evidence that regional integration at some level is occurring. Third, the degree of sovereignty delegated from the parent political body to the regional institution is assumed to reflect in some measure the degree of regional integration involved. Fourth, the subject matters of such organizations, the issues that are most often addressed, are usually focussed internally or externally to the region. Broadly stated, internal economic rationalization and relations with external actors are two important functions of such organizations.

Scholars on regionalism and those working on regional integration at the international level agree on a number of crucial points. For instance, there is a general agreement on the importance of the systemic milieu, what Schwartz calls "the characteristics and conditions"[25] that differentiate political units. These conditions determine to a large extent the importance of regionalism as well as the ultimate shape of any organization. As well, they both emphasize the crucial role played by political elites in the process, although some prominent authors like Schwartz and Gibbins measure regionalism by examination of voting behaviour, a mass indicator.[26] Finally, they all agree that the process is not static or uni-directional. Regionalism and regional integration can

be measurably greater or lesser depending on the varying strength of the independent variables supporting the attitudes and behaviour of political elites within the region. Thus, controlling for the various inputs is a complex process indeed. We will return to these points again later.

For all of the richness of literature on regional integration it leaves some areas relevant to this study untouched. Specifically, these include the role of provincial governments in the Canadian federation, the importance of bureaucratic elites to a regional organization like the Prairie Economic Council, and the inter-relationship of provincial political communities and the region.

The behaviour of regional political elites at all levels in Canada has become the subject of increasing attention during the past two decades. Such attention has concerned itself almost exclusively with the actions of political leaders at the provincial level.

Most authors concede that there are significant examples of regional interaction, that is significant examples of regionalism, occurring at the level of groups of provinces, that is, inter-provincially, as well as intra-provincially, but they do not accord these inter-actions great importance:

> Historically, it seems that the significant patterns of transactions - inter-individual, inter-group, inter-institutional - have occurred at the level of the provinces and not of groups of provinces. . . .
>
> Even though supra-provincial institutions appear to be emerging and may become more elaborate in the future, the important sub-systems are still in the provincial ones.[27]

The bulk of academic attention, therefore, has been concentrated on the actions of provincial political elites.

The most relevant of these studies for our purpose, that is, the creation of the Prairie Economic Council, are those concerned with province-building. The concept of province-building arises from a re-assessment of the role of provincial governments in the Canadian federation. During the 1950's scholars like J. A. Corry argued that a diminished role for the province was inevitable because of, "big business, big government, and economic inter-dependence."[28]

In a special issue of Canadian Public Administration published in September of 1958, another author stated:

> It seems not out of place to conclude that the incipient but rapidly emerging sense of nationalism of the Canadian people will have much to do with the way in which issues of a dominion-provincial nature are settled in the future.[29]

The future of the Canadian federal system, as perceived by Mr. McLeod, was uni-dimensional; that is,

Canada was evolving toward a more centralized state. This process was the direct result of nationalist forces at work within Canada and the rest of the western world.

In a landmark article in 1966 Alan Cairns and Edwin Black directly challenged several of the accepted premises about nation-building in the post-war period. In a lengthy and exhaustive analysis the authors reviewed the actions of the various federal and provincial governments after 1945. Their conclusions directly challenged the assertions of such scholars as Professor Corry:

> On the whole, Canadian experience gives little credence to the belief that federalism is a transitional stage on the road to a unitary state. While federalism has changed significantly in response to new demands, . . . the question is not whether provincial governments can withstand centripetal pressures which would diminish their significance, but whether the federal system can successfully contain the powerful decentralizing pressure welling up from below without losing its essential character.[30]

Indeed, the authors were prepared to be somewhat more extravagant and concluded that such a thesis had "serious difficulties" in its application to Canada:

> The thesis that federalism would disppear under the impact of modern economic development has been a popular one, but its application to Canada's experience encounters serious difficulties and must be reappraised.[31]

Asserting that the earlier analyses were based on a "primitive economic determinism," Black and Cairns went on to note that, "[P]olitical integration is not an inevitable consequence of urbanization, industrialization, and rising standards of living,"[32] and that socio-political boundaries were also meaningful.[33] Their major conclusion was that Canadians had not only been involved in nation building, but also in province-building.

They described province-building as the counterpart to state building, the building of distinguishable socio-political communities at the provincial level.[34] They postulated that the most important elements of province-building revolved about the growth of elites in politics, administration, and certain resource-based industries.[35] These elites, linked to the provincial political community, and not the national community, reinforced the efficacy of the provincial political community:

> . . . Political federalism is not the simple creature of existent social, economic, and geographic forces, but is itself a creative influence. Governments within the system tend to create their own supports through a variety of methods; among them are the charisma surrounding all distant authority, the identification of particular groups with the fortunes of particular governments, the socializing of men to accept their political environment as the natural one, and the complex intertwining of modern government with society that endows any major proposal for change with widespread and often unforeseen consequences for

> all parts of the structure. This reciprocal relationship between federalism and the society it serves infuses both levels of government with durability and continuity by sustaining the divided system of loyalties that a working federalism requires.[36]

Province-building is underpinned by the assumption that the provinces are distinctive socio-political communities, and that such communities are strengthened by the geographical and social importance of the provincial political boundaries. In short, social, economic, and political interactions will be influenced by provincial boundaries.[37]

> While the psychological fibres may be weak in some of the provincial societies, . . . their identities are reinforced by a large number of institutions organized along provincial lines.[38]

The building and maintenance of these institutions along provincial lines, it is argued, not only sustains the saliency of provincial communities, but can be described as building the province or provincial community.

As already noted, province-building was a continuous process between 1867 and the 1960's, but most authors argue that there was an increase in the kind and type of province-building after 1960. Evidence in support of this contention usually revolves about increased provincial government activity. Examples are:

1. The growth of provincial elites related to government.
2. An increase in the capabilities and confidence in provincial government employees.

3. Increased attention to jurisdictional questions.

4. The vigorous participation of the provincial governments in economic planning in their province.[39]

Later authors emphasized increased institutionalization at the provincial level, thus reinforcing the efficacy of the provincial political community.[40] Most would now agree that the major implications of province-building have involved efforts to build the provincial economy, particularly in provinces like Alberta:

> The product of these policies can be generalized as a policy of economic provincialism through which provincial government intervention is employed to establish an indigenous industrial base and which is intended to free the province from the domination of central Canadian economic and political interests under which it feels it has suffered as a hinterland economy.[41]

The above is not meant to imply that the other aspects of province-building such as attempts at consolidating provincial constitutional powers, or establishment of institutions under provincial control, have been disavowed, only that they have not received as much attention during the last several years.

It is obvious that the material on regionalism, regional integration and province-building provide complementary ideas for the development of a model designed to analyze and assess the importance of the Prairie Economic Council as a regional organization on the prairies during the period 1965 to 1973. Did the

Prairie Economic Council contribute to increased regionalism amongst political elites on the prairies? Put in the language of those who have studied province-building, did any significant region-building occur as a result of the Prairie Economic Council?

The development of a model demands considerable explanation. Certain adaptations from the literature on regional integration and province-building need to be made to develop an integrated hybrid model appropriate to this study. First, all of the literature supports the assumption that the creation of a regional organization or institution is behavioural evidence of increasing regionalism. In the language of this study it is evidence of region-building.

The Prairie Economic Council was a regional institution. As such it is behavioural evidence of region-building. However, to state this is to beg the question of the importance of the evidence. Our model, therefore, must include not only a dimension dealing with regional institutions and institutionalization, but include some method of assessing the importance of such examples. Several ways of doing so are suggested by the literature. Mildred Schwartz suggests that the importance of the political actor is relevant. The more important the actor, the more impact those decisions will have on the region and on regionalism.[42] The first task

then, is to determine the importance of the actors involved.

The literature on regional integration suggests that multi-functional regional organizations are usually more important to the process of regional integration than uni-functional regional organizations.[43] A second method of assessing the importance of the organization therefore, relates to the scope and importance of its activities on the presumption that such an assessment will reveal the breadth and importance of regionalism involved with the Council. This would probably involve some relative ranking of agenda matters that came before the organization.

The literature also indicates that the degree of decision-making power transferred to the organization is an indication of its importance.[44] This involves, as already discussed, the transfer of some portions of sovereignty to the new institution. The persistence over time of the institutional arrangements is also mentioned as an indicator of the organization's importance.[45] This usually involves some subjective judgment of the general trend within the organization. Finally, it is also suggested by some authors that the creation of spin-off institutions is indicative of the importance of the regional institution involved and the general direction of regionalism as evidenced by the behaviour of the organization involved.[46]

The application of these five tests should permit the researcher to make a critical judgment about the importance of a regional institution like the Prairie Economic Council to the political actors involved, and thus, to the region as a whole. The first general dimension of a model designed to evaluate the region-building impact of an organization like the Prairie Economic Council would therefore involve an assessment of the importance of the political institutionalization that took place at the regional level as a result of the formation of the Council.

A second general dimension of the model is drawn primarily from the literature on province-building. It stresses the growth of provincial government bureaucracy, both in size and ability, as one of the results of province-building. Indeed, it is one of the major manifestations mentioned by all authors.[47] Obviously the building of a regional organization must involve some minimal activity by the bureaucrats within the provincial civil service, and perhaps the building of a regional civil service as well. The size and extent of that bureaucracy, as well as the lines of authority which direct it, should tell us the extent to which the regional institution has generated an independent institutional identity. It is intimately bound up with the transfer of political authority from the originating political units and is a key variable in the ability of the regional

organization to exercise independent political authority in the region. The literature on regional integration also partially addresses this aspect.[48] There are other examples of regional civil services which provide further evidence of the growth and importance of regional bureaucracies.[49] Two things might help us evaluate the importance of such a bureaucracy. First, the creation of such a civil service, either as a general support system for the organization, or in the form of specialized agencies, is in itself important. The scope of its responsibilities is also important. Second, the framework within which the civil service operates, that is, the relationship of the regional bureaucracy to the parent political units, as well as the public at large, should also provide some clues as to the significance of such support service agencies. For example, if such a civil service was largely seconded and remained employees of the provincial governments, operating within a limited mandate, both as to time of service and authority, it would certainly be less significant than a bureaucracy which was independent from the parent institutions. The creation of such bureaucracies is a key indicator of region-building. The second dimension of our model involves, therefore, determining the extent to which regional bureaucratic elites were created.

Much of the literature on regional integration

differentiates between two major types of regional organization. One is concerned with internal, regional rationalization of economic and social matters. It is usually referred to as a functionalist organization.[50] The other focuses primarily on the security needs of the states involved. In that sense it is an alliance against an external actor or actors.[51] Putting it another way, the focus of the organization is internal or external, intra-regional or extra-regional. Most authors concede that it is easier for states to participate in security organizations than those concerned with internal regional rationalization.[52]

The primary focus of a regional organization is therefore important. If it is primarily oriented toward external actors, and the major function is to aggregate regional political opinion toward an external actor, there is likely less region-building involved than with an intra-regionally oriented organization which is constructing webs of regionally interlocked social and economic agencies. This analogy is certainly transferable, at least in part, to regional organizations of provinces within a federation. Therefore a third dimension of our model involves discovering the intra-regional or extra-regional orientation of the organization.

One final dimension needs to be added to the model. It relates in the main to the perceptions of the political

actors involved, to their "regional consciousness." An important question revolves about what the actors thought they were doing when they created a regional organization, as in the case the Prairie Economic Council. Were they attempting to create an organization which would eventually become something more than a consultative and co-operative annual meeting of the prairie Premiers? Put another way, was it the perception of the actors that they were engaged in a process, the end product of which, in whole or in part, would replace some of the responsibilities and activities of the provincial governments involved? The answers to these questions are important for several reasons. First, it is important to know what the actors involved "thought" they were doing. One can infer attitude and motivation from certain behavioural results, but it is more useful and certain when compared to the expectations of the involved actors. Second, it is important to understand how their perceptions of what they were doing changed during the existence of the organization, and how the perceptions of new actors affected the direction of the organization. Third, and most obviously, one needs to compare the eventual shape of the organization against the expectations.

There are unique difficulties with this dimension of the model. Several authors have treated actor perceptions in different ways. Some believe that actor

perceptions are crucial, and are linked to perceived benefits. That is, the perceptions of the actors toward regional integration or region-building are linked in a positive or negative manner to the perceived benefits for the individual political unit which they represent.[53] Other authors deal with perceptions, but treat them as one of the systemic variables involved, one of the contributory conditions to "regionalism." In some cases the perceptions are based on objective conditions. In others, they are linked to false perceptions which may or may not be institutionalized in the political system or culture.[54] Presumably such perceptions permeate the political elites to some degree as well as the general population and are therefore important system supports for region-building. Some authors, notably Roger Gibbins, prefer not to deal with perceptions, and do not include them in any systematic manner.[55]

In this model actor perceptions will be included in a direct manner. We will include both their general perceptions of the region and its role, as well as their perceptions of the proper role for the Prairie Economic Council. Evidence for their perceptions will be gathered from their statements, public and private, their actions, and their behaviour at Council, especially as regards discussions about the general direction of the Council. The fourth dimension of the model would therefore analyze

the perceptions of the involved political actors about the role of the regional organization and about regionalism in general.

Our model would thus be:

1. The extent of political institutionalization at the regional level.
2. The creation of regional bureaucratic elites.
3. The intra-regional or extra-regional orientation of the organization.
4. The perceptions of the involved political actors about the role of the regional organization and about regionalism in general.

Obviously the model cannot measure region-building with any precision. In that sense it organizes the data in an ordinal and not an interval manner. Positive evidence in all four categories would obviously indicate more region-building, negligible evidence in each category would indicate only weak region-building. This is not too disturbing. Other authors have accepted such limitations. Notably Mildred Schwartz had the following to say:

> For each set of conditions, our measure of relevance is the existence of regional differentiation. Since it is possible to have more or less differentiation, we are left to speak about more or less regionalism. Is this a reasonable formulation? Our judgement is that, at some times at least, it may be appropriate, though quite unnecessary at others.[56]

Two further points need to be made. First, there is no presumption in this study of an uni-directional process of political unification. It is accepted that region-building is highly dependent on the behaviour of

political elites who represent provincial governments. Thus region-building may be incremental and dis-jointed in nature, and may reverse or stagnate at any time. It is related both to the strength of intra-regional systemic variables supporting it and to the strength of extra-regional variables, notably external actors. Second, there is no presumed relationship between the intensity of provincialism, regionalism, and nationalism. One need not vary inversely to the other in any fixed manner. Obviously they are inter-related, and to a degree inter-dependent. It is not the intention of this study to elaborate on these linkages, except where they impinge directly on this case study. We point this out in order to emphasize that loyalties and perceptions do not vary in a zero-sum relationship to each other.

Our model is now in place. It should allow us to evaluate the data in a manner which will permit us to test our central hypothesis that the Prairie Economic Council provides evidence of increased regionalism at the elite level in the three prairie provinces during the period 1965 to 1973. Most importantly however, the model should allow us to say something about the type and strength of regionalism involved. A positive result will be in partial contradiction to the conclusions of other authors, notably Roger Gibbins, quoted in the Introduction, who dismissed the Council as relatively insignificant.

In addition to testing our major hypothesis about the Prairie Economic Council, the model also provides significant aid in substantiating our second assertion that the role of the Council changed significantly during its history, and that such changes were important to the provinces involved, the future direction of regional organizations in western Canada, and ultimately, Canada's federal system. The results from dimension three of the model will demonstrate that the focus of the organization moved from that of an intra-regional organization to an extra-regional orientation. The fourth dimension will tell us that this happened despite the original perceptions of the "founding fathers" about the role of the Council. Both are important pieces of evidence, and both are related to the model.

A third piece of evidence lies outside the scope of the model. The political imperatives of the Premiers involved were seldom discussed at Council, if at all. They must be gleaned from other sources and from our understanding of surrounding political events. There is little doubt that differences in objective and style between Prime Ministers Pearson and Trudeau contributed to the need for the prairie premiers to use the Council to aggregate regional opinion. Changes in leaders at the provincial level also contributed to the change in the Council. Premiers Manning and Strom pursued relatively consistent

"isolationist" policies. They tended to avoid extensive entanglements with other governments, even on matters of regional importance. This was a traditional Social Credit approach. By contrast, Peter Lougheed vigorously pursued regional alliances on federal-provincial matters, and served as a major catalyst in the transformation of the Prairie Economic Council to the Western Premiers Conference. The political imperatives of Lougheed and his Conservative party were different in crucial respects from those of Social Credit. These observations are contained in Chapter Four. Similar kinds of observations are made about leaders in other provinces where appropriate.

These observations are important to the final conclusions and must be considered in conjunction with both the systemic forces at work and the observations reported from the model. The result should be a clearer understanding of the role of the Prairie Economic Council. We turn now to a detailed examination of the data for support of our hypotheses.

## CHAPTER ONE

## FOOTNOTES

[1]Charles A. Duffy and Werner J. Feld, "Whither Regional Integration Theory?" in Comparative Regional Systems, Werner J. Feld and Gavin Boyd, editors, (New York: Pergamon Press Incorporated, 1980), p. 510.

[2]Ira Sharkansky, Regionalism in American Politics, (New York: The Bobbs-Merrill Company, Incorporated, 1970), p. 163.

[3]Ibid.

[4]Ibid., p. 164.

[5]Ibid., pp. 164, 165.

[6]Duffy and Feld, p. 510.

[7]Raymond Breton, "Regionalism in Canada," in Regionalism and Supernationalism, David Cameron, editor, (Montreal: Institute for Research on Public Policy, 1981), p. 60.

[8]Mildred Schwartz, Politics and Territory, (Montreal: McGill - Queen's University Press, 1974), p. 5.

[9]Ibid., pp. 4 and 5.

[10]Roger Gibbins, Prairie Politics and Society: Regionalism in Decline, (Toronto: Butterworths, 1980), p. 8.

[11]Schwartz, p. 54.

[12]Schwartz, p. 310.

[13]Duffy and Feld, p. 504.

[14]Other authors, including Gibbins and Schwartz attempt to deal with regionalism in a much more general manner. Gibbins, for example, relates his voting behaviour studies to the changes in a large number of systemic variables in the prairie region, concluding that the change in a number of these crucial variables is responsible for the congruence between voting patterns in Ontario and on the prairies.

[15]D. V. Smiley, Canada in Question: Federalism in the Eighties, third edition, (Toronto: McGraw-Hill Ryerson Limited, 1980), See Chapter One. Black and Cairns are cited later in this chapter.

[16]Schwartz, p. 22.

[17]See, Gibbins, p. 3, Sharkansky, pp. 9-12, and Haas in Duffy and Feld, p. 502.

[18]Sharkansky, pp. 14 and 15.

[19]Such a conclusion is perhaps self-evident, but it is implicit in the research of such people as Haas in his study, The Uniting of Europe.

[20]Duffy and Feld, p. 499.

[21]Larry Pratt, "The State and Province-Building: Alberta's Development Strategy," The Canadian State: Political Economy and Political Power, Leo Panich, editor, (Toronto: University of Toronto Press, 1977), p. 134.

[22]David Mitrany, A Working Peace System, (London: Royal Institute of International Affairs, 1946).

[23]Lynn H. Miller, "Regional Organizations and Subordinate Systems," The International Politics of Regions, (Englewood Cliffs, New Jersey: Prentice-Hall Incorporated, 1970), pp. 357-378.

[24]Duffy and Feld, pp. 509-512.

[25]Schwartz, p. 509.

[26]See footnote 14. Schwartz also uses voting behaviour as a method of measurement.

[27]Breton, p. 6.

[28]J. A. Corry, "Constitutional Trends and Federalism," Evolving Canadian Federalism, A. R. M. Lower, editor, (Durham, North Carolina: Duke University Press, 1958), p. 97.

[29]T. H. McLeod, "Federal-Provincial Relations" in Canadian Public Administration, vol. 1, no. 3, (September, 1958), p. 9.

[30]Edwin R. Black and Alan C. Cairns, "A Different Perspective on Canadian Federalism," Canadian Public Administration, vol. IX, no. 1, (March, 1966), p. 30.

[31]Ibid., p. 38.

[32]Ibid., p. 39.

[33]Ibid.

[34]Ibid.

[35]Ibid., p. 40.

[36]Ibid., p. 43.

[37]Ibid., p. 39.

[38]Ibid.

[39]Ibid., pp. 40 and 41.

[40]Garth Stevenson, "Federalism and the Political Economy of the Canadian State," in The Canadian State: Political Economy and Political Power, Leo Panitch, editor, (Toronto: University of Toronto Press, 1977), p. 83.

[41]M. L. McMillan and K. H. Norrie, "Province Building vs. A. Rentier Society," Canadian Public Policy, Special Supplement VI, 1980, p. 214.

[42]See footnote 16.

[43]Duffy and Feld, p. 502.

[44]Ibid.

[45]Ibid.

[46]Haas in Duffy and Feld, p. 502.

[47]See Pratt, Black and Cairns.

[48]See Duffy and Feld, pp. 501, 510, and 515.

[49]A. A. Lomas, "The Council of Maritime Premiers: Report and Evaluation After Five Years," in Canadian Federalism Myth or Reality, J. Peter Meekison, editor, third edition, (Toronto: Methuen, 1977), p. 353.

[50]Miller, pp. 362, 363.

[51]Ibid.

[52]Miller, pp. 362 and 363. This is implict also in the "slices of sovereignty" mentioned by Haas, and Duffy and Feld. In addition Ernst Haas mentions this in several of his articles on regional integration.

[53]Duffy and Feld, p. 503.

[54]Schwartz, p. 17.

[55]Gibbins uses perceptions in his final chapter, including quotes from prominent political leaders from the provinces, but he does not integrate this into his data presentation.

[56]Schwartz, p. 21.

## CHAPTER TWO

## "THE PRAIRIES: A REGIONAL CONTAINER"

> Regions are containers, and other factors are necessary to explain their contents.[1]

Few would seriously question the assertion that the "prairies" in western Canada qualify as one of the "containers" referred to by Simeon and Elkins. Some might argue about how a prairie region might be defined. Others might comment on the strength of the perception involved, and whether or not regionalism on the prairies is growing or waning. These are questions of degree and parameter, and not of perception. Intuitively most would also agree that regional organizations like the Prairie Economic Council, or its successor the Western Premiers Conference, should be counted among the "contents" which need explaining. These are, after all, organizations of political leaders representing provincial jurisdictions coterminous with our commonly held perception of the prairie region.

Explaining the role of the Prairie Economic Council in the Canadian political system, as well as examining its function and impact within the region, could well prove to be important in understanding the history

of all political behaviour in the area. The Prairie Economic Council may only have been a minor actor, a small political event, in an area rich in regional political activity. It might be a typical response to familiar social stimuli, thus continuing the history of certain regional reactions, or it might be an unique response, generated by novel conditions demanding a novel institution. In order to determine this, however, it is necessary to understand the history of the region, to review and evaluate the role that provincial governments have played in the area prior to 1965, and to link previous examples of inter-provincial co-operation, if any, to the formation of the Prairie Economic Council. Ultimately this should help us answer the more general questions involved in this study, especially those related to regionalism and region-building.

Regional organizations like the Prairie Economic Council seldom emerge amongst or between social systems with little or no history of regional association. Studies of integration theory, and interstate regionalism,[2] as well as those dealing with intra-state regionalism,[3] emphasize the importance of previous association. The development of regional organizations, and their changing relationships with the central political bodies, is often conceived of as a discrete step in an evolutionary political process of modernization.[4] Most studies on regionalism emphasize the relationship between the ultimate

political behaviour, and the historical associations that seem important to the generation of such behaviour, regardless of the comparability of such actions to past political behaviour. In other words, most authors agree that an understanding of previous social organization can usually serve to provide a partial explanation of contemporary behaviour, regardless of how unique the contemporary actions may appear. In that sense, an understanding of the history of western Canada is vital to this study.

A comprehensive explanation of the history of the prairie region is beyond the capacity of this study. Such work has already been undertaken more than adequately, and it requires only that we use these studies to sharpen our understanding of particular regional variables and behaviour.[5] Initially we can probably agree with Roger Gibbins, who argues that the cause of specific regional behaviours must be found in a combination of social and economic variables:

> The distinctive character of prairie politics grew out of the region's unique combination of peoples, economic activities and the enveloping geography; in this sense George F. G. Stanley discusses the 'molding process of plains geography and plains economy.' It is, therefore, an explicit assumption of this analysis that the past character of prairie politics, and in particular of political radicalism on the Prairies, can only be explained through reference to the social and economic order within which it was rooted, and that changes over time in that order have had a profound effect upon the evolution of prairie politics.[6]

What were the important aspects of the prairie

character that are relevant for this study? What broad interlocking regional attitudes can be isolated and related to either the formation or ongoing activities of the Prairie Economic Council?

Three broad attitudes in the political culture of the west seem initially to be especially relevant. Understandably they are the same attitudes which are important to other political behaviour unique to western Canada. The first is a continuing strong alienation from "the east", a sense of powerlessness, and frustration. This feeling has usually had as its handmaiden a search for more regional control of political power. The second attitude, developed in conjunction with strong feelings of alienation, is a tradition of regional aggregation of political power, and rejection of traditional competitive party politics, as unsuitable to the needs of a relatively weak region. This general attitude has continued although the specific form of political reaction has varied from province to province. One is especially struck by the persistence of these two attitudes despite obviously changed social and economic conditions. They were as relevant in 1965, at the time of the formation of the Prairie Economic Council, as they were in 1905, when farmers began forming their first co-operative institutions. A third major attitude in the political culture that is also relevant for this study, is "co-operatism" at the institutional

and individual level, a dedication to the ideals of the co-operative movement, and a co-operative society. Each of these will be discussed below. The modes of political behaviour, the instruments of expression that resulted from these broad attitudes, have varied with the particular mixture of events. They included informal alliances of the three prairie provincial governments on occasion, but never, prior to 1965, included the development of a formal regional political institution. The broad issues, some of which have persisted to this day, have remained important, and in some cases constant, despite the particular political mechanism used to respond.

W. L. Morton has identified three general periods in the history of the region. They are, the period 1870-1905, characterized as a struggle for equality, a period of increasing rejection of eastern dominance; 1905-1925, described as a period of agrarian sectionalism; 1925-1955, a utopian period, or a search for utopian solutions through the CCF and Social Credit parties.[7] One need not comment on the validity of these divisions, except to note that the three periods inter-weave the themes mentioned above. In a linear sense they outline the development of the general moods of the west, starting with an initial rejection of its colonial or subordinate relationship to the east, causing in turn a search for mechanisms of local control.

The perception of eastern dominance of western Canada, and the struggle against that dominance, is deeply imbedded in the western Canadian psyche. It is both the major manifestation of regionalism, and undoubtedly a major social support system for a continuing sense of regionalism.[8] The explanations for the origins of western alienation, or more particularly, the perception that western Canada has suffered injustice at the hands of the east, are many. They usually encompass a review of variables that are used to define the term region, on the assumption that by defining region one identifies the causes of regionalism.[9]

A novel and particularily appealing approach to this attitude is provided by Doug Owram in his book, Promise of Eden.[10] He argues convincingly that the continuing perception of regional grievance in western Canada can be traced directly to a sense of failed expectations. He spends considerable time outlining the history of the expansionist movement in Canada, a continuing effort in the mid-1850's to the 1880's by several men and groups directed toward re-shaping the rather unflattering popular conception of western Canada. Prior to their efforts the northwest had been characterized alternatively as semi-arid desert, or sub-arctic tundra, and was under the control of the Hudson's Bay Company.[11] The expansionists' goal was to secure the

transfer of the territory from the Hudson's Bay Company to Canada, and then actively encourage the settlement of the area.[12] They succeeded in changing the general perception of the region from that of a marginal territory to one of unparalleled opportunity:

> In the spring of 1879 a Canadian writer commented that 'of all things that have impressed us most in the history of Canada during the last twenty years, none has been so strange as the apparent discovery of new parts good for settlement.' It is a perceptive statement for it summed up a great deal about the Canadian expansionist process. From the time that Palliser and Hind had reassessed the North West in the light of Canadian demands for expansion, geographical perceptions had altered not only according to scientific theory but also to meet the expectations of the nation. It was also a timely comment for in the later 1870s a number of forces came together to change once more the assessment of the North West. These forces raised the image of the West to new heights and shattered the last qualifications in the Canadian myth of the garden. Science and geography responded to the perceived needs of the Canadian nation and in so doing reflected the wider social, economic, and political currents that were affecting the nation at the time. The result was an image of the North West that was more idealistic and optimistic than anything that had gone before, or, for that matter, anything that has existed since.[13]

The depression of the mid-1880's pricked the bubble of the boom, leaving bewilderment, and in many cases, despair. Owram argues that it is this first failure, or more appropriately, these failed expectations, which led to the need for an explanation that did not blame the settlers or the land itself:

> By this time a good many people had already taken up new lives in the West on the basis of expansionist promises. For years men had been told that if they moved west they could not help but succeed. Such

promises only served to obscure the very real difficulties involved in carving a livelihood out of a quarter section of land. The discrepancy between the reality and the myth was nowhere more evident than at this individual level. The inevitable result was disillusionment and an attempt to explain why the glorious promises had yielded such a stingy reality. 'The farmer's grievances against the grain traders, the elevator companies, the railways, the banks and the federal government that maintained what was to him an iniquitous tariff structure were real grievances but behind them lay the fact that he had been permitted and indeed encouraged to place himself in an impossible situation.'[14]

In the east also there was disappointment and disillusionment with the results:

Disillusionment with the West affected national hopes as well as regional protest. After 1856 the West had assumed ever greater importance to Canada as a whole. From a necessary hinterland in the 1850s it became by 1880 the answer to practically all of Canada's problems and the means of realizing all its hopes. The development of the West, expansionists had promised, would ensure Canada's economic prosperity, enhance its political power, and even allow moral improvement. The West would promote the development of a strong and unified Canadian nationality on the northern half of the American continent. Eventually it would even mean that the colony could make the transition within the Empire and assume equal partnership with Great Britain. This new British Empire would have purged itself of former petty religious, racial, and political divisions and ensure the continuation of the best of the British social and political spirit.

Once again the expansionists had promised too much.[15]

In this particular case the settlers sought redress in a number of areas:

Western discontent manifested itself in a number of ways through the 1880's. Questions of control of lands, Dominion-provincial rights, railway charters, and financial arrangements, all became issues as those in the west challenged the current relationship between their region and the rest of Canada.[16]

Owram does not argue that all subsequent regional alienation has as its cause these failed expectations of the 1880's. He does say that these original tensions imbedded themselves in the political culture and continued there despite periods of considerable prosperity.[17]

Owram's approach is useful for two reasons. First, it establishes with some authority an explanation for the generation of western alienation. Second, it postulates that subsequent events reinforced the original grievance, until, in the writer's opinion, it established itself as part of the folklore of the region. Such a reaction is typical in the "political economy of dependence", as it is described by one author.[18] The persistence, and strengthening of this attitude, can be explained further, at least in part, by the colonial arrangements imposed on the region prior to provincehood, and the semi-colonial arrangements, especially with regard to natural resources, continued after the achievement of provincial status for Manitoba and the Territories. In short, the externals of political, social, and economic arrangements for the area after 1885, contributed to a continued social posture of grievance.

Such a posture of grievance, coupled with an obvious imbalance of political power between the east and west, led to frustration, but also taught westerners that they must aggregate what power they possessed if

they expected to achieve any changes, or to stop the institution of policies inimical to their interests. The achievement of this aggregation was made much easier by the relative homogeneity of social class in the region.

It is not the intention of this study to review in detail the explanations of authors like W. L. Morton, Seymour Lipset, and C. B. Macpherson. For those interested in the nuances of their approaches, their works are available. Suffice to say that within the various explanations the continuity of analysis between them is most important. The emphasis on the similarity of enterprise and purpose, of social standing and economic class, are vital to an understanding of the unique political behaviour associated with the region in the early part of this century:

> The first twelve years of this century had witnessed a growing awareness by western farmers of the nature of their economic problem. . . . A common economic class situation was resulting in heightened consciousness and sharpened class attitudes. Out of economic conflict, agrarian class unity was emerging.[19]

A sense of regional grievance and an unity of class structure generated a powerful political protest movement during the first twenty years of this century. The reverberations of that movement continue to shake the political structure of our party system in 1983. The "quasi-colonial"[20] mentality of the region, if not the

actual status, has continued to this day. As one author has put it:

> Conflict with successive regimes in Ottawa was thus a continuing feature of the prairie quest for political power.[21]

This "quest for political power" developed in a manner consistent with the early history of the area, and the need to effectively utilize the political resources available to the region. The former meant developing a number of intra-regional co-operative institutions capable of dealing with both western regional economic forces, and those based in eastern Canada, including the railways and grain companies. The term populism, or populist response, has been used to describe many of the analyses and bases for this kind of political action.[22] The latter meant reducing the level of partisan politics in the region in order to aggregate regional interests. This was done successively by voting <u>en bloc</u> for one of the national parties, (alternating when necessary), by supporting third parties with regional roots, and lately by choosing one national party, the Conservatives, and aggregating as much regional support as possible within that party.[23] It also meant gaining control of the territorial and provincial governments, in the region, not only to deal effectively with Ottawa, but also to use provincial governments, wherever possible, to mitigate adverse economic or social conditions. The latter exercise involved a protracted

political battle to secure sufficient resources to enable provincial governments to undertake desired political actions, ending initially in 1930 with the transfer of natural resources to the provincial governments in western Canada.[24]

An imbedded sense of regional grievance, the growth of an agrarian class consciousness, which brought with it unique political behaviour, and the need to aggregate western Canadian political power in populist or non-partisan ways, are major themes of western Canada. This matrix of social and economic variables produced an unique and powerful regionalism, peculiar to western Canada, a regionalism which bred political behaviour that was also unique to this region. It is not unreasonable to assume that such powerful regional imperatives would eventually surface in any regional organization of provincial governments, an assumption which will be substantiated later in this study.

## Inter-provincial Co-operation

The review of general regional themes provides one part of the historical background necessary to understand the development of the Prairie Economic Council. The second, and equally vital part, involves an understanding of the development of provincial governments, and more particularly the history of inter-provincial

co-operation on the prairies between the governments of Alberta, Saskatchewan, and Manitoba prior to 1965.

Strong feelings of powerlessness and alienation, a common identification with a new prairie region, common goals and substantial homogeneity of economic pursuit, all contributed after 1905 to a powerful regional consciousness, a consciousness which demanded expression in the political system. The impact on the federal and provincial party systems was profound. Given the situation described, one might also have expected considerable unanimity of purpose amongst the three provincial governments on the prairies, perhaps even formal mechanisms of co-operation. Such was not entirely the case, however. The examples of co-operation amongst the prairie governments between 1905 and 1965 are informal, and in some senses quite limited.

This should not be surprising. A number of conditions militated against inter-provincial co-operation, especially prior to World War II. The formal business of provincial governments was local in character, confined to issues that were of intense interest to local residents. Larger regional concerns were considered to be soluble only by the national government and most attention was directed to that level.

The exceptions of this are notable for their consistency with issues later dealt with by the Prairie

Economic Council. Generally, they included such things as federal-provincial finance, natural resource transfer, constitutional matters, and other regional issues such as water resources, agriculture, and education.

Much of this co-operation seems to have taken place at inter-provincial and federal-provincial conferences. No verbatim records were kept at these conferences until recently, but it is not difficult to determine that there must have been considerable co-operation between the Prairie Provinces on some issues.

At the inter-provincial conference of First Ministers, held in 1906, only a year after the creation of Alberta and Saskatchewan, the provinces of Manitoba, Saskatchewan, and Alberta collaborated on the issue of federal subsidies. British Columbia had raised the issue originally by requesting a review of the level of federal payment to that province, a level originally set at the Quebec Conference of 1902. The Prairie Premiers were not slow to understand how the procedure worked, and at a later sitting jointly introduced the following resolution:

> In view of the very exceptional conditions of settlement existing in the Provinces of Manitoba, Alberta and Saskatchewan, each of the said provinces should be granted, for a period of ten years, an allowance of fifty thousand dollars per annum in excess of the subsidies provided by the Quebec Resolutions of 1902, as amended.[25]

Although there are no official minutes, or record

of casual conversations, the three governments clearly had decided to co-operate, lending more credibility to their request by presenting it as a joint effort.

Financial arrangements were dealt with at almost every conference (not unlike modern conferences), as First Ministers attempted to establish the principles of federal-provincial finance.[26] At the conference held in October of 1913, Premiers Sifton of Alberta and Scott of Saskatchewan again jointly sponsored a resolution dealing with federal subsidies.[27]

It was not unusual at these early conferences for one provincial delegate to represent another province in addition to his own. Such was the case at the 1910 inter-provincial conference, when William Turgeon represented Alberta as well as Saskatchewan. This demonstrates the affinity felt between the prairie provinces on federal-provincial matters.[28]

With this background, it could be expected that the prairie provinces would have co-operated whole-heartedly on the important issue of natural resource ownership.[29] This was the case, at least initially. In December of 1913, the Prairie Premiers, Walter Scott of Saskatchewan, R. P. Roblin of Manitoba and Arthur Sifton of Alberta, sent a joint communication to the Right Honourable R. L. Borden, Prime Minister of Canada, commenting on a proposal for financial settlement of land

claims compensation and the transfer of natural resource jurisdiction.[30]

At the inter-provincial conference of 1918, the matter was addressed by the delegates present. Arthur Meighen, Minister of the Interior, outlined the federal government's position on the issue, which was generally favourable to the provincial request.[31] As usual, some controversy erupted over the claim to compensation by the provinces, in addition to control of lands and natural resources.[32]

It appears that the Prairie Premiers did not consult with the Premier of British Columbia on this issue prior to the Conference. Premier Oliver of British Columbia submitted a memorandum to the conference indicating his displeasure that British Columbia had not been included in the earlier statement by Mr. Meighen.

For their part, the prairie provinces were not at all happy with the way the issue was handled by their provincial colleagues. At the close of the conference, they had a letter read into the record. It commented in part on the attitude of the other provinces toward the prairie claim to control land and natural resources. That attitude, asking for compensation to themselves should the transfer occur, was particularly galling to the prairie premiers, and was rejected by them.[33]

The 1918 Conference was the last time that this

issue was raised prominently at a federal-provincial or inter-provincial conference. Negotiations on the issue continued outside of that forum.

It is not the intention of this study to trace those negotiations in detail. Suffice to say that prairie governments, between 1918 and 1930, when the Natural Resources Transfer Act was passed, pressed their case in concert, and often separately.[34] Co-operation on this matter had much to do with the importance and similarity of the issue for all three provinces, and the common provincial effort continued, despite changing governments and governing parties.

Tentative steps toward regional rationalization of provincial government services were evident in some of the early conferences. For example, a conference of the three prairie provincial premiers, held in 1915, culminated in several initiatives:

> An important Conference took place in Winnipeg on Nov. 29-Dec. 2, when Hon. A. L. Sifton, Premier of Alberta, Hon. Walter Scott of Saskatchewan and Hon. T. C. Norris of Manitoba, (Chairman), with a number of their colleagues from each Province, considered certain questions of mutual interest. Mr. Norris on Dec. 1 issued a statement that 'for some time past the Governments of the Province of Alberta, Saskatchewan and Manitoba have had under consideration the advisability of adopting a policy of co-operation regarding the establishment and maintenance of certain charitable and other institutions which are required to take care of the growing needs of the West.' They had come to a conclusion in the matter but further discussion with British Columbia was desirable. It was decided (1) that eventually all deaf and dumb and incorrigible children in Western Canada should be

provided for in the Manitoba institution at Portage la Prairie; that (2) the following institutions should be established in the three Western Provinces at points to be agreed upon, namely, a School for the Blind, a School for Mentally Defective Children, a Hospital for Imbeciles and a Sanitarium for persons with nervous diseases, -- these institutions to be used in common by all four Western Provinces; that (3) the question of restoring the public domain to the three Prairie Provinces by the Federal Government should be pushed to a solution; that (4) the principle of uniformity in school text-books was desirable, and that educational experts should, as quickly as conditions will permit, endeavour to put the principle in operation.[35]

Agricultural issues generated considerable intra and extra regional activity by prairie provincial governments. When necessary, as on the issue of the Crow Rate, prairie governments co-operated in several ways:

The Crow's Nest Freight Rates Case. Keen interest was manifested throughout all four Western Provinces in the sinuous turns given the Crow's Nest schedule of freight rates. By consent of the Federal government the enabling Act of 1922 was permitted to expire July 6, without extension of time. From that date onward, the original rates,under the Act of 1898, went into effect on commodities, westbound, as well as eastbound on grain and all products on the Prairies. The interpretation placed upon the Act by the railways led to application of reduced rates to stations along the original C.P.R. lines. The result was discrimination against some larger centres, like Saskatoon and Edmonton, as well as stations on newer lines on both systems. The Boards of trade in Edmonton and Saskatoon were insistent for remedial action which would correct the discrimination. Along with their efforts the Province of British Columbia was strongly against application of favoured westbound rates which discriminated severely against fruit and other products of British Columbia consigned to the Prairies.

When the stated case came before the Board of Railway Commissioners in October it was decided, by a majority decision effective Oct. 14, to revert to conditions and rates prior to July 7. This decision brought on

> a storm of criticism in all four Provinces, especially on the Prairies, and culminated in an Appeal case to the Supreme Court of Canada on behalf of the Prairie Provinces, which was undecided at the end of the year.[36]

In other cases, such as with the formation of a compulsory marketing mechanism for wheat, a Wheat Board, negotiations for a regional response were not always successful. Manitoba, chiefly as a result of pressure from the Winnipeg Grain Exchange, rejected the plan for a Wheat Board:

> In his speech on the second reading of the Wheat Board Bill in the Legislature (Apr. 13) Premier Bracken inclined to the opinion that the advantages of the plan would outweigh its disadvantages. He expressed the belief that the Wheat Board, if it were established, would pave the way for a voluntary co-operative centralized selling agency. He announced that, following the course taken by the Saskatchewan and Alberta Governments the year before, the Government would bring no pressure to bear on its supporters to make them vote for the Bill, and would not regard rejection of the Bill as a vote of censure. After a fortnight of debating, the Bill was rejected by a vote of 24 to 21. Six members on the Government side of the House voted against the Bill, three of them being Ministers in the Cabinet, and three members on the Opposition side voted for the Bill -- one Independent and two of the Labour members. The members for the city of Winnipeg, Progressive, Liberal, Conservative and Labour, who voted, opposed the Bill. One Labour member who was present did not vote.[37]

Other attempts were more successful, such as continued pressure to use the Hudson Bay as an outlet for prairie grain:

> On-To-The-Bay Association. The On-To-The-Bay Association, representing mainly the organized efforts of Manitoba and Saskatchewan to have the Railways line completed to Port Nelson and the Harbour and terminals

> put into condition for practical use by ships, had an active year in 1925. Early in the year a deputation went to Ottawa. A petition praying for the completion of the road to the Bay, signed by upwards of 150,000 persons, was presented to the Prime Minister. During the year 150 meetings were held in Manitoba and Saskatchewan at which addresses on the subject were delivered. Officers elected at the Annual Meeting, Feb. 10, 1926, were: Patrons, Hon. John Bracken, Hon. C. A. Dunning and Robert Forke, M.P.; Honorary President, Colonel R. H. Webb, D.S.O., M.C.; President, R. W. Paterson, C.M.G., D.S.O.; Vice-President, Hon. James R. Wilson, Saskatoon; O. D. Hill, M.L.A., Melfort; J. A. Caulder, Moose Jaw; Lieut.-Col. F. J. James, Regina; George Edwards, Regina; Rankin Leslie, C. M. Simpson, F. C. Hamilton of Winnipeg; D. G. McKenzie, Brandon; William Burt, The Pas.[38]

In this case, as would prove to be the case in the Prairie Economic Council after 1965, Alberta was not an active participant, although it did not oppose the development of a port on the Hudson Bay.

There are other less important examples of co-operation before World War II. For example, discussion on areas of concentration for the respective provincial universities produced an agreement in 1932 that the University of Alberta would specialize in mining technology, the University of Saskatchewan in agriculture, and the University of Manitoba in electrical engineering.[39] The agreement was not entirely honoured by the Universities, but the original specializations still exist to some degree. Federal programmes of a regional nature were also undertaken during the 1930's. For example, the Prairie Farm Rehabilitation Act was administered on a regional basis, in conjunction with the provinces.[40]

Although these programmes were regional in scope, they were federal-provincial, rather than inter-provincial, in nature.

It was not until after World War II that genuine inter-provincial co-operation was reborn, and then only on a modest scale. For example, the Western Water Board was formed in 1946 under the auspices of the three prairie provincial governments. It was mandated to study the availability and uses of water in the prairie basin. It had advisory powers only, however, and was not given authority to develop any regional water allocation programmes.[41] In 1948, the Western Water Board was superseded by the Prairie Provinces Water Board, a federal-provincial organization, given somewhat broader powers than its predecessor.[42] The fate of the Western Water Board was not atypical for the time. One must remember that this was a decade of expansion by the federal government, a decade when it entered into a large number of projects, especially those of a regional nature. It is not surprising therefore, to find so few genuine objects of inter-provincial co-operation during the first years after World War II.

Genuine inter-provincial co-operation was sporadic and ad hoc between 1905 and 1965. It neither accurately reflects the degree of regional consciousness, nor speaks to the importance of regional issues. It does reflect the

rather limited role of provincial governments prior to World War II. There are undoubtedly other instances of inter-provincial co-operation that remain undiscovered to the author. However, the examples given are sufficient evidence to conclude that some essential element, some variable as yet unintroduced, was necessary before an organization like the Prairie Economic Council could be contemplated. That element was a fundamental change in the role of provinces in the Canadian federation, a vastly increased role, more in concert with a society which had begun to emphasize policies and programmes increasingly related to provincial jurisdiction. More will be said about this later.

Two important conclusions arise from this review. First, our assumption that the development and activities of the Prairie Economic Council will be related to the continuing themes of regional political behaviour is correct. The very development of such an organization is obviously linked in some degree to the history of regionalism on the prairies. Previous association and previous examples of regional reaction clearly established the legitimacy of an organizational response like the Prairie Economic Council. More importantly, however, the ultimate uses of the Prairie Economic Council, the perception of its goals, were reshaped by the continuing powerful regional attitudes of alienation and need to

aggregate regional political power. Thus, the Prairie Economic Council, although different in form, had the potential to become yet another in a continuing series of regional political responses to central Canada. The second conclusion arises from our review of previous inter-provincial co-operation. It is obvious that inter-provincial co-operation was perceived as a desirable end, but was not formalized primarily because of a lack of previous models and a subdued perception of the scope of provincial government activity. Both of these circumstances were to change after World War II. However, the legitimacy of regional co-operation, albeit on an ad hoc basis, was clearly in place prior to World War II. The Prairie Economic Council is therefore legitimately related, both in general and in specifics, to previous political behaviour in the prairies.

## CHAPTER TWO

### FOOTNOTES

[1]Richard Simeon and David T. Elkins, "Regional Political Culture in Canada," Canadian Journal of Political Science, vol. VII, no. 3, September, 1974, p. 399.

[2]Amitai Etzioni, Political Unification, (New York: Holt, Rinehart and Winston, 1965), and Werner J. Feld and Gavin Boyd, Comparative Regional Systems, (New York: Pergamon Press Limited, 1980).

[3]Roger Gibbins, Regionalism: Territorial Politics in Canada and the United States, (Toronto: Butterworths, 1982).

[4]Ibid., p. 1

[5]G. A. Friesen, "Studies in the Development of Western Canadian Regional Consciousness", (Ph.D. dissertation, University of Toronto, 1974). This dissertation provides an excellent bibliography of historical works.

[6]Roger Gibbins, Prairie Politics and Society, (Toronto: Butterworths, 1980), p. 2.

[7]W. L. Morton, "The Bias of Prairie Politics", in Donald Swainson, Historical Essays on the Prairie Provinces, (Toronto: McClelland and Stewart, 1970), pp. 289-300.

[8]Strangely enough a number of authors touch on this aspect, but do not give it much recognition. See David Smith, "Political Culture in the West", in Eastern and Western Perspectives, David Jay Bercuson and Philip Buckner, editors, (Toronto: University of Toronto Press, 1981), p. 169.

[9]For a good discussion of definition see Friesen, pp. 2 and 3, and Gibbins, Chapter 2.

[10]Doug Owram, Promise of Eden, (Toronto: University of Toronto Press, 1980).

[11]Ibid., see Introduction.

[12]Ibid.

[13]Ibid., p. 149.

[14]Ibid., p. 219.

[15]Ibid.

[16]Ibid., pp. 179, 180.

[17]Ibid., p. 224.

[18]David Smith, "Political Culture in the West", in Eastern and Western Perspectives, David Jay Bercuson and Philip B uckner, editors, (Toronto: University of Toronto Press, 1981), p. 169.

[19]Seymour Lipset, Agrarian Socialism, (Los Angeles: University of California Press, 1950), p. 48.

[20]C. B. Macpherson, Democracy in Alberta: The Theory and Practice of a Quasi-Party System, (Toronto: The University of Toronto Press, 1953).

[21]Friesen, p. 30.

[22]For an interesting discussion of this see John Richards, "Populism and the West", in Western Separatism: The Myths, Realities and Dangers, Larry Pratt and Garth Stevenson, editors, (Edmonton: Hurtig Publishers, 1981), p. 65.

[23]Gibbins, Prairie Politics and Society, Chapter Two.

[24]See Friesen, there is a good discussion on Manitoba.

[25]Canada, Inter-provincial Conference: Minutes of Proceedings, 1906, (Ottawa: King's Printer, 1906), p. 18.

[26]The former Premier of Saskatchewan, Tommy Douglas has often been quoted as saying, "when someone says, it's the principle, not the money, you know it's the money." (Author's recollection) This seems to have been the case at most of these early conferences, where the western provinces attempted to establish a firm hold on the "principle" of federal subsidies.

[27]Canada, Inter-provincial Conference: Minutes of Proceedings, 1913, (Ottawa: King's Printer, 1913), p. 127.

[28]Canada, Inter-provincial Conference: Minutes of Proceedings, 1910, (Ottawa: King's Printer, 1910).

[29]At their creation none of the western provinces were given ownership of the natural resources of the province, a right enjoyed by the original provinces in 1867 as a result of Section 109 of the British North America Act.

[30]Canada, Federal-Provincial Conference: Minutes of Proceedings, 1918, (Ottawa: King's Printer, 1918).

[31]Ibid.

[32]Ibid.

[33]Ibid.

[34]It is interesting that the provinces did not co-operate more fully.

[35]J. Castell Hopkins, The Canadian Annual Review of Public Affairs, (Toronto: The Annual Review Publishing Company Limited, 1916), p. 641.

[36]J. Castell Hopkins, The Canadian Annual Review of Public Affairs, (Toronto: The Canadian Review Company Limited, 1925), pp. 378, 379.

[37]J. Castell Hopkins, The Canadian Annual Review of Public Affairs, (Toronto: The Canadian Review Company Limited, 1924), pp. 679, 680.

[38]J. Castell Hopkins, The Canadian Annual Review of Public Affairs, (Toronto: The Canadian Review Company Limited, 1926), p. 436.

[39]Report of the Royal Commission on Dominion-Provincial Relations, (Ottawa: King's Printer, 1940), Book II, p. 168.

[40]J. H. R. Richards, "Provincialism, Regionalism, and Federalism as Seen in Joint Resource Development Programmes", in Canadian Geographer, vol. IX, no. 4, 1965, p. 210.

[41]S. Raby, "Alberta and the Prairie Provinces Water Board", in Canadian Geographer, vol. VIII, no. 2, 1964, p. 210. Alberta was always ambivalent toward these kind of regional ventures.

[42]Ibid. The Prairie Provinces Water Board was to play a significant role in "water matters" on the prairies. Eventually an agreement was signed on October 4, 1969, between the three prairie provinces which covered a number of important matters, including water allocation. See, Financial Post, October 4, 1969, p. 3. The Board was legally sanctioned by identical Orders-In-Council signed by the participating governments.

## CHAPTER THREE

## THE PRAIRIE ECONOMIC COUNCIL - FORMATION

The Gordian Knot of a snarled Canadian federalism was cut decisively after World War II. The exigencies of war time, and the economic ravages of the previous decade could not be denied. Strong centripetal forces gathered a momentum which would reshape the Canadian federal state between 1945 and 1965. It was, in short, a time of nation-building in Canada.[1]

The focus of political attention in Canada was therefore on the federal government. Expectations were that the circumstances of the thirties would not be allowed to return, and the national government, armed by John Maynard Keynes with new weapons of economic analysis, was expected to exercise leadership and assume responsibility. The period between the end of World War II and 1965 was a period of federal dominance in the Canadian federation.[2]

Despite the emergence of strong nationalizing forces the building of political communities at other levels persisted. In particular the centrifugal forces generated by increasingly important provincial governments

also gathered momentum during this period. Such a complex combination of political attitudes would eventually cause serious problems of political cohesion in Canada.[3]

In western Canada this process was further complicated by a number of conditions. Chief among them was a persistence of regionalism and regional political behaviour. Many residents of the region were still first generation settlers. Their loyalties to province, region, and nation, were undoubtedly conditioned by their pre-war and wartime experiences. For the rest, the intense regionalism of the previous three decades could not easily be swept away. It was rooted in, what some authors would describe, as a flawed assimilation process:

> Attitude itself has created and sustained alienation and regionalism in the west. There are undoubtedly many reasons for this but one, surely, is that many westerners did not develop a strong sense of national identity because of basic flaws in the assimilation process.[4]

Inevitably, crosscutting currents of nationalism and eventually provincialism had to be affected by continuing regional attitudes.

A second complicating condition, unshared by the other provinces in Canada, was the rapid change in the economic base of the prairie provinces. In the immediate post-war period authors like Lipset and Macpherson could continue to describe the prairies as relatively homogeneous in economic base. It was basically agricultural and

rural.[5] Substantial changes took place after 1950 however, as natural resource industries grew in size and importance. This was especially true in Alberta.[6] The growth of economic activity primarily within provincial jurisdiction enhanced the province-building forces within each of the prairie provinces.[7]

By the mid-1950's, much of the prairie region was diversifying and moving away from its agricultural base. Natural resources like oil and coal, hydro-power and hardrock minerals provided the new economic base. Economic development proceeded rapidly, and with it came the problems associated with social planning and the provision of societal infra-structure. However, the development was uneven, with Alberta, for example, outstripping Manitoba in growth.[8]

Uneven growth caused further intra-regional complications. Manitoba had dominated prairie economic life prior to World War II. Most of the prairies had been serviced as a hinterland to Winnipeg. It was the dominant urban centre in the region. This situation changed dramatically after 1951, until eventually Alberta became the dominant province in the region.[9] The reallocation of economic power in the region was caused by many forces, but one of its major impacts was to diminish the role of Manitoba, and particularly Winnipeg. Coping with this status change was not only an economic

problem for the prairie provinces, but a political one as well.

A continuing strong regionalism, a dramatic shift in economic base, and uneven economic growth in the region, combined to shape the prairie reaction toward changes in Canadian federalism. In particular it generated an attempt to cope with the situation by rationalizing provincial involvement across the region. This resulted in a proposal for a regional economic organization similar to one in Atlantic Canada at the time.

Other regions in Canada had also experienced uneven economic growth and problems. The response of the Atlantic region to the challenge was to co-operate in fostering economic activity, to try and co-ordinate development.

In the fall of 1953, the Maritime Board of Trade invited the four Atlantic Premiers to attend an informal session to discuss regional economic co-operation.[10] Further regional discussion among both governments and the private sector resulted in an organization called the Atlantic Provinces Economic Council.[11] The organization was enthusiastically endorsed by the governments of the region, but not financed nor directed by them. It was a regional organization of private and quasi-governmental participants, patterned after a

similar New England Council.[12] Initially the Atlantic Council was well received, and by the time a similar idea was formally proposed on the prairies, had been in existence for three years.[13]

The original suggestion for a prairie version of the Atlantic Provinces Economic Council came from Premier Duff Roblin of Manitoba in 1958, although in correspondence with Premier Manning of Alberta it was noted that the idea for such an organization had been "proposed and considered in the past."[14] Although this may have occurred during informal discussions among government officials, there is no public record indicating that a previous proposal had ever been formally considered and rejected.

Premier Roblin was elected in 1958, and headed a minority government in Manitoba for almost a year. His election platform had advocated a number of new policy initiatives, loosely grouped under the rubric of "social involvement". Roughly translated, this meant direct involvement by the provincial government in providing the social capital and social infrastructure needed to strengthen and diversify Manitoba's economic base.[15]

Manitoba had always enjoyed a pre-eminent position in western Canada. It had been settled

earlier, developed more quickly, and generally stayed farther ahead economically than Saskatchewan or Alberta. Winnipeg had long been considered "the" metropolis of the west.[16] That position was being threatened in the late 1950's however:

> The fact was that Manitoba was having to run fast to maintain her position in the procession of Canadian provinces. Much of the steady prosperity it enjoyed was indeed owing to the general prosperity of the country as a whole and to the vigorous federal policies of development.[17]

A prime objective of Premier Roblin's first minority government was to reverse this increasingly adverse economic trend. He viewed his proposal for a Prairie Provinces Economic Council as doing two things. First, it would help Manitoba economically in a number of ways, not the least of which was to provide a market for the future surplus hydro-power of the province. He understood that "economic rationalization" would benefit his province the most. Second, it was an opportunity to share information on a number of items, related to governments, and co-operate where possible. He felt that such activity could, and should be done, on a regional and not a federal-provincial basis.[18]

Premier Roblin made his proposal for a prairie version of the Atlantic Provinces Economic Council, or a Prairie Provinces Economic Council, on November 15, 1958, while addressing a meeting of the Canadian Tax Foundation

in Winnipeg. No copies of his speaking notes are available, but press reports indicate that the proposal was the highlight of his speech. What prompted the Premier to propose the Prairie Provinces Economic Council in that particular forum is unclear. The proposal was not directly connected with business at the meeting, and the bulk of his speech dealt with tax measures. Nor had there been any apparent public event connected with Atlantic Provinces Economic Council which might have served as a catalyst. One can surmise that Premier Roblin and his advisors thought that a Prairie Provinces Economic Council would contribute to the political image that the Conservatives were trying to create, an image of "modernization" and economic growth.[19]

Whatever his original motivation, Premier Roblin obviously did not intend the suggestion to be a trivial item, proposed and forgotten on the same day. On December 8, 1958, he wrote Premiers Manning of Alberta and Douglas of Saskatchewan. The following is an extract from the letter to Premier Douglas:

> When addressing the Canadian Tax Foundation recently I made the suggestion that it might be helpful for the development of the economy of the three Prairie Provinces if we were to form a Prairie Provinces Economic Council along the lines of the Atlantic Provinces Economic Council which was formed four years ago by the four eastern provinces.
>
> As you are no doubt familiar with the functions

of the APEC you will have an idea of what a PPEC would mean for our own three provinces.

I wonder if you would like to indicate to me in a purely informal way whether this idea has any merit in your eyes. If you and the Premier of Alberta think the question is worth investigating, we might arrange for an informal meeting to see what further steps should be taken.[20]

There is a short note on a copy of Mr. J. Stuart Anderson, Deputy Provincial Treasurer of Manitoba, which indicates that Premier Roblin and his government had given more than casual thought to the proposal. It reads:

Mr. Anderson:- Should not our plan be widened in scope to include governmental activities apparently left out of APEC?[21]

The note also illustrates two specific points. First, the Premier had engaged in substantial study of the function of the Atlantic Provinces Economic Council, and second, he wanted a broader organization, one which would involve governments, as well as the private sector, a clear departure from the Atlantic Provinces Economic Council model.[22]

In his speech to the Tax Foundation, Premier Roblin had elaborated on the kinds of activities that he thought a Prairie Provinces Economic Council might address, including freight rates, problems with the St. Lawrence Seaway, agriculture, northern development, statistics, irrigation, power development, and more co-operative use of universities.[23] These were not detailed in his letter, indicating that initially he

wanted to secure only a general response from his colleagues.

No record of the response from Premier Douglas of Saskatchewan was kept, but a copy of the reply from Premier Manning of Alberta said in part:

> I regret that I was away at the time you wrote to me and I have waited to reply until I had an opportunity to discuss the proposal with my colleagues in the Executive Council. As you probably know, the suggestion that the Prairie Provinces join the formation of some type of central agency has been proposed and considered in the past but we have always felt that the suggestion would not result in anything of too much practical value in that the prairie provinces were already co-operating fully in their approach to most problems of mutual concern.
>
> However, we do feel at this time that should you wish to further explore the Economic Council idea, an exploratory meeting could be held. At such a meeting, our representatives could thoroughly discuss the potentialities and possible mutual benefits of Council and, if the decision was that such an organization would be helpful to all three provinces, we then could proceed further with the suggested plan.[24]

It is clear from Premier Manning's reply that he was less than enthusiastic about the idea. In some ways, the letter was a polite reply from an "old hand" to a new member of the Prairie Premiers' club. Alberta had always been a bit of a prairie maverick, disinclined toward elaborate involvement in things of a regional nature.[25]

Later documents indicate that Premier Douglas agreed to a meeting on the subject.

The Manitoba government was not idle during the month that elapsed between the first Roblin letter and the

reply to Premier Manning. Officials in the Department of Industry and Commerce were put to work outlining a proposal for a Prairie Provinces Economic Council. The results of this work were forwarded to Premier Roblin on December 30, 1958.[26] Its contents are quite revealing, outlining the Manitoba government's thoughts on the subject.

The memorandum is divided into two parts. The first part provides a justification and analysis of the need for regional co-operation. The latter part of the document elaborates on the proposal. Essentially the author, Mr. Rex Grose, a consultant to the Department of Industry and Commerce, made the argument that Western Canada was lagging behind the rest of Canada in economic growth and development.[27] He attributed this to a lack of co-ordination:

> At the present time good work is being done by various official and private agencies in the several provinces in the region. The trouble is that Western Canada is not managing itself or studying its problems as a region. Its various political subdivisions with relatively little co-ordination quite often appear to be working in competing directions or in no direction at all. The fact is, of course, that all of Western Canada's problems -- and they are many -- require planning and initiative and some of its problems, administrative action, as well, at the regional level.
>
> Western Canada has its own unique conditions and potentialities. The problem is to determine as precisely as possible the best method to develop the area's unique resources. In tackling these problems on a regional level there is nothing partisan or provincial or inimical to the national interest. On the contrary it is this conception which is most in the national interest.[28]

He went on to detail some of the matters needing attention. These included:

- plans and programs for water resources utilization, drainage basin control, flood control and irrigation;
- hydro developments to support the whole region and integration of distribution systems;
- stream pollution control;
- the development of suitable markets for agricultural products;
- the determination of proper land use programs;
- improvement of recreational facilities;
- forest control;
- rationalization of systems of transport and communication with a view to a fully co-ordinated system of highway transportation;
- greater co-ordination of industrial development activities;
- establishment of a prairie provinces overseas office to replace present provincial offices.[29]

Not surprisingly Mr. Grose's list, and the items mentioned by Premier Roblin on November 15, in his speech, are largely the same. In the former case, Mr. Grose was more specific. His analysis of the need for regional co-ordination concludes by reaffirming the necessity for pooling resources and effective regional planning.[30]

The second part of the document outlines a plan, or program for the development of a Prairie Provinces Economic Council. The aims of the Council were to be:

- promoting regional consciousness and co-operation and the joint study of factors affecting the economic

development of the Prairie Provinces;

- expanding the use of Western Canada's industrial, agricultural, recreational and human resources,
- facilitating the co-operation of business interests and governmental agencies in furthering the region's economic growth;
- increasing national consciousness of Western Canada's economic significance, achievements and opportunities.[31]

He also recommended a board of directors for the Council, on which each of the provinces would have equal representation. Half of the directors would be elected at an annual meeting, and half would be appointed by the respective provincial governments. He envisaged the Council meeting annually, with most of its business carried on by committees. Funds were to be provided by annual contributions from its members.[32]

The proposal by Mr. Grose differed considerably from the Atlantic Provinces Economic Council. It envisaged the direct involvement of the provincial governments, and a broad scope of activities, a number of which were governmental in nature. Clearly it would have been a regional instrument with considerably more influence and power than Atlantic Provinces Economic Council.

Mr. Grose was not supported by other agencies of the Manitoba government. In a "commentary" to the Deputy Provincial Treasurer, the Chief of the Economic Research Division, Mr. Lance Partridge, proposed another model,

considerably different from Mr. Grose's. He was frankly skeptical about the usefulness of a Prairie Provinces Economic Council.[33]

Mr. Partridge argued that the proposal for a Prairie Provinces Economic Council should be shelved, and that the prairie representatives on the Dominion-Provincial Continuing Committee (originally designated as the "Continuing Economic Committee"), form a new group. This new group would be exclusively governmental in membership:[34]

He outlined his proposals in some detail:

> We recommend most strongly that the PPEC be a 'child' of the prairie representatives on the Dominion-Provincial Continuing Committee, noting as we do so that this Committee was originally designated as the 'Continuing Economic Committee'.
>
> We recommend further that the PPEC be initially and exclusively a governmental body. Thirdly, we recommend that the PPEC be matured to 'adult' status as the Prairie Panel of the Dominion-Provincial Conferences. Economic development in Canada is inevitably the first concern of the Dominion-Provincial Conference concept -- nowhere more certainly than in the case of western economic development. . . .
>
> It is necessary to underline the feeling that great care should be taken to emphasize that the PPEC should be a Policy Advisory body in its first stages -- whether or not a later development might be a promotional or semi-autonomous industrial group.[35]

His rationale for excluding non-governmental representatives was based on two premises, including a sharply critical analysis of Atlantic Provinces Economic Council:

> If further justification were needed in the restriction upon PPEC membership initially -- that is to a purely governmental character -- the experience of the Atlantic Provinces Economic Council assures such justification, unfortunately. Provincial Governments in the Atlantic region have tended to avoid 'involvement' because they could give up neither their constitutional responsibilities nor their primary decision-making roles to a non-government group. Yet, industry in the Maritimes has been unwilling to work too enthusiastically with an organization lacking in the necessary executive powers to act upon what would be quite frankly 'industrial suggestions.'
>
> This antipathy is not new in these matters, nor should it be unexpected in the field of economic practice generally. The motivations as between the balanced planning of Governments and the specific interest planning of industry rarely coincide. The intermediate areas between Government and industry in economics -- the Universities and the Research groups -- have been, at least in the Maritimes, generally confused as to what might be their specific roles and as to what responsibilities they should or could assume. We know that the university and research contacts with the 'Continuing Committee' type of technical group are already operative in that such groups are frequently employed between Conferences, and are formally invited to the full dress meetings of the Ministers.[36]

Finally, Mr. Patridge doubted that any of the prairie provinces would want to delegate authority to a regional organization:

> We very gravely doubt that any one of the three governments would wish to delegate initiative to another in the significant arena of activity suggested by the PPEC. Yet, leadership is a fundamental need and one most vital to such an undertaking. The Continuing Committee has long been the safe sounding-board for strong, conceptual experiments -- there has not been the danger here of 'over-commitment'. The Dominion-Provincial type of Ministerial meeting is also, we suggest, quite clearly the best possible arena for tactful yet forceful, constitutional yet effective, leadership.[37]

In his final paragraph, he outlined the manner in which a Prairie Provinces Economic Council might develop, and ended by expressing tactful reservations about the whole proposal:

> The PPEC might develop in either of two principal directions:
>
> (1) As a 'conference' medium for the actual drafting of economic policy.
>
> (2) As no more than a 'sounding-board' for the thought and opinion of various elements to the prairie community.
>
> Very respectfully, it is submitted that there now exist sufficient 'sounding-boards', old and new, active and forgotten, to keep public words flowing upon an almost endless array of subjects. There would, however, appear to be a shortage of 'back-room' liaison facilities that might truly be said to allow for 'performance' as well as 'conception'. Regretably, 'more organization' is not <u>always</u> synonomous with 'more performance'. Alternatively, however, new concepts often do produce results through existing organizations, and they do so without encouraging increased costs or new demands for personnel. The 'Patterson Law' really should be suspended wherever practicable.[38]

The Partridge analysis is interesting in its criticism of the proposal by Grose, and in its obvious bias toward control by government, as well as federal government involvement. The clear implication in Mr. Partridge's analysis is that a regional organization would be almost useless, especially in view of the fact that economic planning, according to him, needed to be focussed at the federal-provincial, as opposed to the inter-provincial level, an interesting view considering the ultimate direction of the Prairie Provinces Economic

Council. He saw a Prairie Provinces Economic Council as one more layer of "organization". Finally, in a more practical vein, he also recognized that none of the provincial governments involved would likely give up vital powers to a regional body not completely under their control.[39]

On January 15, 1959, Premier Roblin again wrote his two provincial counterparts. He indicated that he was having a more extensive proposal prepared on the subject, which he would forward when ready.[40]

On February 25, 1959, Premier Roblin forwarded a general proposal to his counterparts in Saskatchewan and Alberta. It outlined in point form his plan:

(1) Western Canada is not managing itself or studying its problems as region.

(2) Some of the matters requiring attention at a regional level are:

- (a) water resource utilization, drainage basin control, flood control and irrigation
- (b) hydro development and distribution
- (c) stream pollution control
- (d) markets for agricultural production
- (e) proper land use
- (f) recreational facilities
- (g) forest control
- (h) transportation and communications systems
- (i) industrial development activities
- (j) Prairie Provinces Overseas office to replace present provincial offices

(3) In general the aim of the PPEC would be to inspire and stimulate regional action for the further economic progress of Western Canada by:

(a) promoting regional consciousness and co-operation
(b) joint study of factors affecting the economic development of the Prairie Provinces
(c) expanding use of Western Canada's industrial, agricultural, recreational and human resources
(d) facilitating co-operation of business interests and government in furthering region's economic growth
(e) increasing national consciousness of Western Canada's economic significance, achievements and opportunities.

(4) The PPEC would operate under the direction of a board of directors, half of whom would be elected. The remainder would be appointed by the respective provincial governments. Each province would have equal representation on the board. A president would be elected from the directors and would appoint a vice-president for each province. The vice-president and the remaining directors would form a Provincial Council which would act on matters of particular interest to an individual province.

(5) Much of the Council's activities would be carried out by committees.

(6) The PPEC would be in formal session annually.

(7) The Council's funds would be obtained from annual contributions of its members.

(8) A permanent secretarial or separate offices were not contemplated.[41]

It is obvious that the Premier had rejected the advice of Mr. Partridge in this instance, and accepted the proposal of Mr. Grose. There were few changes or additions by Premier Roblin to that original proposal.[42]

In March of 1959, officials met on the proposal. Premier Manning retained his original coolness to the idea, primarily because of the many groups that would be

involved. He was frankly skeptical that much would be accomplished. He recalled later that the Mines Ministers had attempted to work within a similar organizational structure with the result being unsatisfactory. He was amenable to an information sharing organization, but not to what he considered an elaborate structure like the proposed Prairie Provinces Economic Council.[43] Not surprisingly Alberta did not see the same kind of economic advantage to the organization that Manitoba did.

No progress was made on the proposal after those meetings. In a memo to file on April 24, 1959, Lance Partridge wrote:

> The prospect of the establishment of a Prairie Provinces Economic Council has not been forgotten in Manitoba. However, in view of the very extensive ramifications involved in such an undertaking, it has been considered the better part of wisdom by the Government of Manitoba, that great care should be taken in the timing of the project. For this reason, all further investigation of the possibilities involved has been deferred temporarily until the governmental situation in Manitoba has been determined for a number of years ahead. In this regard, it is hoped to continue, at least, unofficially, the initial discussions with representatives of the other prairie provinces, and possibly including ministerial representatives at the meeting of the Continuing Committee to be attended by Treasurers, as scheduled for this summer.[44]

The "governmental situation" referred to by Mr. Partridge was the impending spring election, an election won handily by Premier Roblin. However, the proposal for a Prairie Provinces Economic Council was not pursued as suggested at the meeting of Treasurers during the

summer.[45]

On December 8, 1960, almost two years after his original letter, Premier Roblin again wrote his prairie counterparts. He suggested a meeting of the three provinces to discuss matters of ~~mutual~~ concern and to consider common courses of action.[46] Premier Manning was once again cool to the idea, indicating that he thought it unwise to have a pattern of regional conferences, now that there was an annual conference of all provinces.[47]

This apparently ended the effort of Premier Roblin to initiate a Prairie Provinces Economic Council. It is clear that the lack of enthusiasm on the part of Premier Manning of Alberta was a major stumbling block to the creation of a regional organization. The single lure of regional economic co-operation held little attraction for Alberta.[48]

The idea for some type of regional organization on the Prairies did not surface again until October of 1964. Surprisingly, at that time Premier Manning of Alberta publicly revived the idea for a Prairie Provinces Economic Council.[49] Mr. Manning cited a number of reasons for doing so, including the apparent success of Atlantic Provinces Economic Council and the need for regional co-operation on the prairies. He was careful to emphasize that, in his opinion, the organization should be advisory in nature, with no formal or binding power.[50]

Superficially Premier Manning had changed his mind in the period 1959 to 1964. In 1959 he had downgraded the necessity for such an organization, and was the least enthusiastic of the three Premiers about the proposal. But now he appeared to have been suddenly converted to the course. On closer examination, however, one can see that in 1964 he was proposing something closer to what he wanted in 1959. The Manning government had been quite successful in effecting an "information sharing" exercise with various interest groups in Alberta. These "chats" with Cabinet had served a number of purposes, one of which was to secure as broad an information base as possible for policy development. He envisaged a Prairie Economic Council filling the same kind of role, on an inter-provincial basis.[51] More importantly, the Maritime presentation to the Dominion-Provincial Conference of that year seems to have impressed upon him the benefits of regional organization and power.[52]

On October 24, 1964, the new Premier of Saskatchewan, Ross Thatcher, endorsed the Manning proposal and indicated his willingness to participate in discussions about the formation of a joint economic council.[53] Premier Roblin of Manitoba also indicated his continuing support for some kind of joint economic council.[54]

During early 1965 the proposal appears to have been the subject of consideration by officials by all three

provincial governments. In the case of Manitoba, the Economic Research Division was asked to prepare an analysis of the usefulness of a joint economic council. Interestingly, a number of objections similar to those raised by Mr. Partridge in 1959 were put forward again. Officials of the government of Manitoba now seemed inclined to try and keep the new organization limited in scope, preferring that it be simply an information sharing body.[55] On August 3, 1965, in Winnipeg, Premiers Manning, Roblin, and Thatcher agreed to discuss the possible advantages of a Prairie Provinces Economic Council. They came to a general agreement on a number of things, including membership, scope of the organization, and timing for the first meeting.[56]

It was announced that the council would consist initially of the three prairie Premiers and would meet at regular intervals, perhaps every six months. No permanent secretariat, or staff were assigned to the organization.[57]

The specific policy areas included in the initial list of subjects for the organization were:

1. Wage policies in the public service
2. Minimum wage policies
3. Industrial Development activities
4. Water conservation and usage
5. Specialized university and technical institutes
6. Research on common industrial and social problems
7. Highway construction and maintenance research
8. Highway planning
9. Highway safety
10. Traffic regulation and control
11. Power policies

12. Common financial problems in capital markets
13. Railway and air transport problems
14. Natural resource development policies with particular reference to competitive assistance programmes
15. Northern transportation problems, including such matters as the development of the Hudson's Bay Railway and the port of Churchill
16. Problems of regional economic growth
17. Forest conservation problems
18. Tourist programmes
19. Uniformity of legislation on matters of mutual concern
20. Joint submissions and studies on matters of mutual interest
21. Agricultural marketing problems
22. Manpower training and utilization problems.[58]

It was agreed that the first meeting would be held in Regina on October 14, 1965.[59]

The news reports of the meeting and agreement were elaborate, with the Winnipeg Free Press announcing on the front page that, "the Prairie Economic Council was born on August 3, at 5:30 p.m. on Tuesday."[60] The timing of the announcement was well planned, coming as it did at the end of the Annual Premiers Conference. The news reports also made mention of the Roblin suggestion of 1958, crediting him with the original idea.[61]

For his part, Premier Manning wanted an organization which would facilitate the sharing of information on the subject areas outlined. Premier Roblin still thought it possible to achieve some of his original objectives in co-ordinating development and regional problems, as well as trying to rationalize provincial government activity on the Prairies.[62] Premier Thatcher

viewed the Prairie Economic Council differently from his colleagues. He wanted to use the organization to rationalize and reduce government expenditures by co-ordinating purchasing policies, etc. In other words, he wanted to emphasize rationalization of government services, primarily to hold down government spending. For him this was especially important in the area of university costs.[63] Premier Roblin emphasized that it was not an attempt to institutionalize a prairie government, rather an attempt to personalize and rationalize the activities of the three governments.[64]

The expectations of the three governments involved, as articulated in the notes taken at the August meeting, and by interviews some years later, were almost exclusively intra-regional in character. The Prairie Economic Council was to be a primary vehicle for intra-regional information sharing, planning, and rationalization. Insofar as it had contacts with the federal or other governments, they were to be in conjunction with intra-regional plans or activities. They reflected, in that sense, the new found role of provincial governments in the area of economic planning.

At this time the idea of aggregating political opinion or power on particular issues was explicitly disavowed. Such tactics were to develop later when the need for such activity seemed more urgent. That a

regional organization in western Canada should not have as one of its goals influencing federal programmes and policies was obviously out of step with the regional trends of the preceeding half century, and appears curious, to say the least, from our vantage point of twenty years later. One can only guess at unreported conversations or speculations on how useful the organization might be in that respect. Such an attitude was consistent however, with the findings of other authors who have reported that during this period the provincial governments believed "ganging up" on the federal government to be unacceptable.[65]

As we will see from succeeding chapters this posture was only maintained for a short time. Ultimately the organization was to adopt as a major goal the articulation of comment and criticism of federal government policies on a wide variety of subjects. In a sense the organization could not long withstand the pressures of western Canadian tradition as well as the need to influence matters of the moment. It would not be long until the Prairie Economic Council was indeed a potent "regional defense organization."

For the moment, however, the Premiers were content with more modest goals. The needs of federal-provincial relations and power politics were not yet evident. In 1965 they were content with an organization which seemed to address all of their varied interests.

The political imperatives of the Premiers in forming the Prairie Economic Council are not, of course, contained in any of the supporting documentation. One must infer them from the interviews and other background material. Premier Roblin remained firmly in favour of the Prairie Economic Council, for many of the same reasons that he supported such an organization in 1958-1959. Gone, of course, were the immediate political objectives of the 1959 re-election. His government had been secure for some time. His general political objectives, as discussed earlier in the Chapter, remained constant, however. His major goal was to try and maintain or improve Manitoba's economic position relative to the rest of the west, and the country.[66] Achievement of that goal was as obviously advantageous politically in 1965 as in 1958.

Premier Manning's political motivations are less clear. The reasons for his apparent change of heart between 1959 and 1964 are outlined above. Certainly he was not in political trouble in Alberta. His government had just won a smashing victory in 1963, taking 60 of 63 seats.[67] Nor were there other pressing regional political problems. His acceptance of a consultative body and rejection of any supra-provincial body at the regional level, is consistent with the general approach of Social Credit to regional and

national matters. One is forced to conclude that his motivation was primarily administrative, a not too surprising conclusion given his lengthy tenure in office.

Of the three original participants Ross Thatcher appears to have the most clearly political reasons for entering into a regional organization. A former CCF MP, he became the leader of the provincial Liberal party in Saskatchewan in 1960.[68] Thatcher was doctrinaire and right-wing, and determined to reduce the legacy of government left to him by the CCF.[69] It is not surprising, therefore, that he should enthusiastically support the rationalization of services, and consequent reduction of Saskatchewan government expenditures. He was also a strong regionalist, his relations with Ottawa at best reminiscent of the calm before a storm, and at worst, outrightly hostile.[70] His views on regional action were obviously coloured by his experience with Ottawa, and the federal Liberals.

## CHAPTER THREE

## FOOTNOTES

[1]Donald V. Smiley, "The Rowell-Sirois Report, Provincial Autonomy, and Post-War Canadian Federalism," Canadian Federalism: Myth or Reality, J. Peter Meekison, editor, (Toronto: Methuen Publications, 1971), pp. 65-80.

[2]Ibid.

[3]Edwin R. Black and Alan C. Cairns, "A Different Perspective on Canadian Federalism," Canadian Public Administration, Volume IX, Number 1 (March, 1966), pp. 27-45.

[4]David Jay Bercuson, "Regionalism and Unlimited Identity in Western Canada," The Journal of Canadian Studies, vol. 15, no. 2 (Spring, 1980), p. 125.

[5]See Footnotes 19 and 20, Chapter Two.

[6]N. R. Seifried, "Growth and Change in Prairie Metropolitan Centres After 1951," Prairie Forum, vol. 7, no. 1 (Spring, 1982), pp. 49-68.

[7]John Richards and Larry Pratt, Prairie Capitalism: Power and Influence in the New West, (Toronto: McClelland and Stewart Limited, 1979).

[8]"New Industries, New Progress, All Three Prairie Process Step Up Development," Financial Post, April 13, 1957, pp. 50-51.

[9]Seifried, p. 56.

[10]Frank MacKinnon, "APEC, an Experiment in Regional Enterprise," Canadian Public Administration, vol. 1, no. 1 (March, 1958), pp. 22-25.

[11]Ibid.

[12]Ibid. It apparently found its model in the Scottish Estates.

[13]Ibid.

[14]Premier Ernest Manning, personal letter, January 8, 1959. Copy supplied by the Government of Manitoba.

[15]W. L. Morton, Manitoba: A History, (Toronto: University of Toronto Press, 1963), pp. 485-487.

[16]Seifried, pp. 50-52.

[17]Morton, p. 492.

[18]Interview with Senator Roblin, Ottawa, June 23, 1981.

[19]Winnipeg Free Press, November 15, 1959, pp. 1 and 5.

[20]Premier Duff Roblin, personal letter, December 8, 1958. Copy supplied by the Government of Manitoba.

[21]Ibid.

[22]Ibid.

[23]Winnipeg Free Press, November 15, 1959, pp. 1 and 5. The item on the universities is significant. It was a subject of co-operation dating back to 1932.

[24]Manning letter, January 8, 1959. In an interview, Mr. Manning could not remember what previous attempts to organize a "central agency" he referred to.

[25]The Alberta attitude toward the Prairie Provinces Water Board typified their approach. See Chapter Two.

[26]Memorandum on a Proposal to Establish a Prairie Provinces Economic Council, Mr. Rex Grose, December 29, 1958, p. 1.

[27]Ibid. Although Mr. Grose speaks of western Canada in his memo, he obviously did not include British Columbia.

[28]Ibid.

[29]Ibid., p. 2.

[30]Ibid., p. 3.

[31]Ibid.

[32]Ibid., p. 4. Members were to be drawn from the leaders of all important economic sectors, agriculture, business, labour, etc.

[33]Commentary in Respect of Proposed PPEC, Lance S. M. Partridge, January 10, 1959.

[34]Ibid., p. 1.

[35]Ibid.

[36]Ibid., p. 2.

[37]Ibid.

[38]Ibid., pp. 3-4.

[39]Ibid.

[40]Ibid., p. 4.

[41]Premier Duff Roblin, personal letter, February 28, 1959.

[42]Ibid.

[43]Interview with Senator Manning, Ottawa, June 23, 1981.

[44]Memo to File, Lance S. M. Partridge, April 24, 1959.

[45]This is the same Committee referred to in the Partridge criticism of the Grose committee.

[46]Precis Commentary on the Consideration of a Prairie Provinces Economic Council - 1958-1964, unsigned.

[47]Ibid., p. 2.

[48]Given the internal resistance to the idea in the government, it is possible that officials simply stalled the idea until it died.

[49]Regina Leader Post, October 20, 1964, p. 32.

[50]Ibid.

[51]Interview with Senator Manning, Ottawa, June 23, 1981.

[52]Ibid.

[53]Regina Leader Post, October 24, 1964, p. 3.

[54]Precis Commentary.

[55]Ibid.

[56]Notes on Prairie Provinces Economic Council, R. M. Burns, August 5, 1965.

[57]Ibid.

[58]Ibid.

[59]Ibid.

[60]Winnipeg Free Press, August 4, 1965, p. 1.

[61]Ibid.

[62]The latter idea was not one emphasized by Senator Roblin until later in the interview. It was clearly a secondary goal, not a major one in the 1959 model.

[63]Interview with Senator David Steuart, Ottawa, June 23, 1981.

[64]Interview with Senator Duff Roblin, Ottawa, June 23, 1981.

[65]Richard Simeon, Federal-Provincial Diplomacy: The Making of Recent Policy in Canada, (Toronto: University of Toronto Press, 1972), p. 229.

[66]See Interview, Footnote 18.

[67]See Caldarola, p. 373.

[68]David E. Smith, The Regional Decline of a National Party: Liberals on the Prairies, (Toronto: University of Toronto Press, 1981), p. 65.

[69]Ibid., p. 66.

[70]Ibid., pp. 66, 67.

# CHAPTER FOUR

## THE PRAIRIE ECONOMIC COUNCIL - 1965 - 1972

### CONTEXT AND STRUCTURE

This chapter describes the general political milieu as well as the structure of the Prairie Economic Council during the period 1965-1973. Later chapters review Prairie Economic Council activities by categorizing them as intra-regional or extra-regional in orientation. Such categories are somewhat limited in their usefulness, since most political issues have both extra- and intra-regional dimensions, although it is not impossible to categorize each action as primarily intra- or extra-regional in substance. By doing so we are able to trace the major policy orientations of the organization over time. As Mildred Schwartz concluded: ". . . we must continue to search for ways to discover and evaluate the broad range of political acts bearing on regionalism."[1]

The period 1965-1972 was an exciting time to be a Canadian. It was both a time of exuberant nationalism, as displayed in the 1967 centennial celebrations, and a time of growing doubt about the future of the nation. Front de Libération du Québec bombings and kidnappings

caused a feeling of growing unease in Canada, an unease not assuaged in the least by the fact that René Lévesque had formed the Parti Québécois, a party determined to take Quebec out of confederation. Growing provincial nationalism in Quebec was matched by an apparently re-awakened alienation in western Canada,[2] an alienation that led eventually to discussion of western separatism, and, after 1972 to the formation of western "nationalist" associations and parties.[3] The country was entering its second century, a century that seemed destined to lead toward greater regional splits and provincial power.

In the fall of 1965, at the time the Prairie Economic Council was formed, the Liberals under Prime Minister Pearson won re-election, but with only a minority of Parliament.[4] There had now been three successive minority parliaments, a situation that was to continue until 1968. No longer was the Liberal Party able to bridge the regional gap in Canada; no longer was it able to claim to be the one "national" party. The electoral re-alignment of 1958, brought about by Diefenbaker sweep of western Canada, dictated that Canada's political party system would become more or less regionally based, with the Conservatives remaining strong in most of western Canada, while the Liberals dominated Quebec. The smaller parties, the New Democratic Party and Social Credit, retreated to the regions, with Social Credit centered exclusively in

Quebec after 1968, and the New Democratic Party restricted to Ontario and the West.[5]

In 1968, Pierre Trudeau was elected leader of the Liberal Party, and then Prime Minister by a sizable majority. That majority was decimated in 1972, however, when the party lost most of its western representation.[6] As a consequence, Trudeau convened the first, and only, Western Economic Opportunities Conference in 1973, a direct attempt to bolster Liberal Party fortunes in western Canada. It was this action which precipitated the dissolution of the Prairie Economic Council, and the formation of the Western Premiers' Conference.[7]

Substantial political change manifested itself on the prairies at the provincial level during this period, as well. In Alberta, Social Credit had been in power for thirty years. During much of that period of time, the Liberal Party had been its main opponent, mounting a strong campaign province-wide in 1955. By 1959, the Liberal Party had declined, and after 1969 because of death and defections held no seats at all. The reason was the revival of the Progressive Conservative Party in Alberta, a revival obviously linked in part to the national changes caused by Mr. Diefenbaker's large win in 1958. In 1971, this Conservative revival swept Social Credit from office, and by 1972 neither the Liberals nor the Socreds represented an Alberta seat in the House of Commons.[8]

In Saskatchewan, the Co-operative Commonwealth Federation had been defeated in 1964 by the Liberals, ending a twenty year reign in office. However, in 1971, the New Democratic Party, its successor, was voted back into office, and by 1975 the Liberal Party was in serious trouble in Saskatchewan.[9]

In Manitoba, there were also significant political changes during this period. In 1969, the New Democratic Party, under Edward Schreyer, gained office, defeating the Conservatives after eleven years in power. In Manitoba also, the Liberals slipped to minor party status.[10] The complexion of party politics on the prairies changed substantially during the lifetime of the Prairie Economic Council, a change from which some of the parties have not yet recovered.

These changes impacted on the Prairie Economic Council in a number of ways. Most importantly they linked to changes in the federal system, and the role of provincial governments, in a manner which changed the orientation of the Council dramatically. Indeed, the raison d'être of the Council was changed completely, in part because of political party changes in the three provinces. These are best explained by reviewing the situation in each of the provinces during this period of time.

As noted above, the Roblin/Weir Conservative

government was replaced in 1964 by a New Democratic Party government headed by Edward Schreyer. The New Democratic Party victory was the first for the party in the province, and ushered in a period of several years of furious political activity in Manitoba.[11] Most of this activity was "domestic" in nature, centred on medical care issues, public auto insurance, and the alleviation of poverty in the northern areas of Winnipeg and the province.[12]

Within the Prairie Economic Council Schreyer maintained the emphasis of Roblin on the supra-provincial possibilities of the Prairie Economic Council, urging more regional planning and greater use of the organization for economic co-ordination. He also tended to try and moderate strong regional views emanating from the Council. His areas of difference with the previous government, as we will see in Chapters Five and Six, tended to come in areas of pollution control, and social policy. However, there was a remarkable degree of political consistency toward the Prairie Economic Council in the attitude of the two administrations. Both agreed on the desirability of an expanded intra-regional role for the Council, and both were essentially moderate in federal-provincial matters.

During most of the Council's existence, Ross Thatcher and the Liberal party of Saskatchewan represented that province at meetings. Thatcher was the longest serving Premier on the Council. His political goals have

already been mentioned in the previous chapter. They seemed to remain constant throughout the six years, with the exception, as we will see, of his obvious later relish for using the Council to aggregate regional political opinion on federal/provincial matters. His successor, Allan Blakeney, also developed a more regional approach to federal/provincial matters,[13] but initially in the Council he seemed to follow the lead of Premier Schreyer.[14]

Ironically, the greatest single impact on the Council was made by the change in administration in Alberta. The new Premier, Conservative Peter Lougheed, played a decisive role in finishing the re-focussing of the Prairie Economic Council from intra-regional to extra-regional matters. While the review in Chapter Six will clearly demonstrate that a change toward a more aggressive extra-regional Council dimension was already under way, the domestic political imperatives of the Lougheed Conservatives also required a vigorous regional organization of western provinces. To this end he was successful in attracting the new Premier of British Columbia into an expanded Prairie Economic Council, a Western Premier's Conference, in 1973.[15]

This was in marked contrast to the policies of the Manning/Strom governments. Social Credit had been largely averse to regional alliances, even mildly isolationist.[16] Peter Lougheed actively sought out such regional alliances, determined to aggregate regional power on natural resource questions. This seems to have been part of a deliberate

political plan involving three domestic political priorities.[17] Whatever the role of such political priorities, they linked well with other systemic changes in the Canadian political system.

Perhaps most important for this study, and linked to some of the political motives outlined above; were the massive changes to the operation of Canada's federal system that occurred during the decade of the sixties. The growth in the role and importance of provincial governments was startling, and necessitated substantial changes to the manner in which the two orders of government conducted their affairs:

> For two decades following publication of the report of the Rowell-Sirois Commission the conclusion, derived from this convergence of pressures reinforcing the trend toward interdependence, was that the central government would have to play the main role on the Canadian stage. Mobilization of society and the economy for all-out war pushed the provinces temporarily into the background and confirmed the pre-eminent role of the Dominion. During the war and for some time after the Canadian political system performed virtually as a single system. Now the pendulum has swung decisively in the other direction. The nationalistic modernizing revolution in Quebec is only the most dramatic expression of a fresh provincial self-assertiveness that derives in part from a buoyant economy and from mounting expenditures on such programs as education, welfare, health, highways, and resources that fall within provincial jurisdiction. . . .[18]

The result was an increasing need to co-ordinate policies and programmes which operated on the same population and often provided similar service. The attempt to do so was dubbed "co-operative federalism" by some, a term used to mean virtually anything the user wished, from an attitude in negotiation, to a commitment to a specific process. It was,

as Donald Smiley put it, ". . . a series of pragmatic and piecemeal responses by the federal and provincial governments to the circumstances of their mutual interdependence."[19]

Meetings, at all levels from First Ministers to the most junior officials, to "co-ordinate" became commonplace in the sixties. Departments designed to facilitate such contact came into existence, and the process of Canadian federalism assumed an importance equal to the issues involved. Hindsight allows us to see clearly that such a jostling was needed, and indeed, inevitable, as the two orders of government sought a new equilibrium in the federation. What is surprising, given the decisive cleavages in Canadian society, is that it was resolved as amicably as it was.

The decade was filled with important federal-provincial contact, beginning with negotiations on the constitution in 1960-1961, followed by agreements on a new pension plan for Canada, long negotiations on tax sharing, equalization arrangements, and new financing for post-secondary education, ending with a second attempt at new constitutional arrangements in the latter part of the decade.[20] Such negotiations were in part the result of innovative policy initiatives, but also a response to the lack of an institutional outlet for the accommodation of such a process:

> This discussion suggests that the traditional institutions of the central government have been relatively ineffective as sites for federal-provincial negotiation. This is not to say these institutions never act as arenas for accommodation, but they do so only rarely. The result has been that the adjustment process has grown up

> in an ad hoc fashion outside traditional institutional forms, notably in the federal-provincial conferences. The inadequacy of the institutions at the national level is one reason why inter-governmental negotiations have taken the form of direct confrontation between governments. Were regional interests accommodated better within Parliament, as they are within the United States Congress, there would be less need for governments to negotiate directly with each other, or for new institutional arrangements to be built.[21]

At the pinnacle of inter-governmental conferences were the meetings of the Prime Minister and the Premiers. Such meetings were not new, but the increase in frequency and the change in subject matter gave them a new importance:

> The Federal-Provincial Conference of Prime Ministers and Premiers has come to be one of the most crucial institutions of Canadian federalism. Prior to the beginning of constitutional review in 1968 such Conferences dealt almost exclusively with fiscal and economic matters and, from time to time, with attempts to agree on a formula for constitutional amendment. However, this range of discussions has come to be more extensive and such meetings are held with increasing frequency, at least twice each year.[22]

Although Professor Smiley goes on to caution that these conferences should not be mistaken for a third level of government, because of the largely ad hoc procedure involved, he nevertheless concludes that the growth of such arrangements constituted an important political trend.[23]

Such meetings of First Ministers were not restricted to the federal-provincial field. Indeed, inter-provincial meetings of the Premiers were re-instituted in 1960. At first they were largely informal

and co-ordinative in character.[24] Later on they became more elaborate and were used to address federal-provincial matters, often to aggregate provincial opinion against federal policies. Such was the case at Toronto in 1966, when the Premiers used the conference to discuss federal-provincial financial negotiations:

> So far, all the discussion, including the projections, had gone on in secret, and had mainly involved senior officials. In August the negotiations became more public. The occasion was the two-day Interprovincial Conference of Premiers in Toronto. The agenda was primarily concerned with such innocuous matters as coordination of interprovincial trucking. But coming immediately after the presentation of the federal proposals to the continuing committee, and only a month before the formal opening of negotiations, federal-provincial financial relations were bound to arise. Premier Thatcher of Saskatchewan, incensed at the new equalization formula, precipitated the discussion. The formula, he told the press, 'would wipe us out'. Saskatchewan citizens were being treated as 'second-class citizens' to benefit Quebec. The federal government was naive to hurt Saskatchewan when 'After all we're the only Liberal government out there [in the west].' Prime Minister Robarts, too, gave some details of the proposed equalization formula. Federal representatives and some provincial officials felt the discussion was unfair, especially since the proposal had been outlined in confidence. What was important was not that the provinces discussed the matter at the conference but that Thatcher used the forum thus provided -- including the attention paid to it by the press -- as a platform to get national attention. Perhaps the most important function of the conference was to give the premiers a chance to do what their officials had done in the continuing committee: get to know each other's positions. It also put Ottawa on notice of provincial objections and introduced the issue to public discussion.[25]

In one sense therefore, the Prairie Economic Council was a legitimate child of the federal-provincial and inter-provincial parents. Meetings of governments at all levels had become commonplace. Frequent meetings of First Ministers were also acceptable. Co-operative federalism, meant rationalizing and co-ordinating government activity, inter-provincially as well as at the federal-provincial level. The inter-governmental context was conducive therefore, to the creation of a regional grouping of Premiers. This also explains, in part, some of the structural differences between the Atlantic Provinces Economic Council and the Prairie Economic Council, as well as changes between the Roblin proposal in 1958 for a Prairie Provinces Economic Council, and the ultimate form of the Council. The role of governments in the life of the nation had expanded considerably in the decade between the creation of Altantic Provinces Economic Council and the Prairie Economic Council.

The structure of the Council was the first item on the agenda at the initial meeting held in Regina on October 14, 1965.[26] In the main, the tentative agreements on August 14 were ratified, with some changes:[27]

> It was agreed that the Prairie Economic Council should consist of the three Premiers plus a Minister from each province acting in an official capacity

> with other Ministers and advisors to be included as required. It was also agreed that Premier Thatcher should act as Chairman for the first meeting and that Premier Manning would act as Chairman during the 1966 calendar year. It was also decided that the meetings should be held twice a year at a location selected by the Chairman.[28]

The Premiers sought to avoid complex bureaucratic structures, and indicated that necessary staff work should be done by the respective province or provinces. No permanent secretariat was therefore proposed. However, Premier Roblin did suggest that working committees might be established, and even outside consultants hired if necessary. Premier Thatcher originally wanted the chairmanship of the Prairie Economic Council to be designated by the host province, but agreed to a fixed time period instead. All three agreed that the Premiers should be active in their participation.[29]

The Prairie Economic Council did not rigidly adhere to the structural format outlined by the Premiers. Initially, it did not meet twice yearly as decided in Regina. In fact, in the first three years, it met only once each year, and in 1971 it did not meet at all. The Council location also began a rotation between provinces during its first three meetings, meeting in Regina in 1965, Edmonton in 1966, and Winnipeg in 1967. This rotation continued after 1967, despite the fact that there were two meetings in each of the years 1968, 1969, 1970 and 1972. As well, the chairmanship of the Prairie

Economic Council changed with its location, something advocated originally by Premier Thatcher, but rejected by the other two Premiers. The tradition of moving the meeting from province to province became firmly established by 1967, and in all, each province hosted the Prairie Economic Council four times.[30]

The actual membership of the Council was never firmly established. Although each government was to appoint one Minister to the Council, as well as the Premier, the practice was never followed. Only the Premiers seem to have been consistent members, with other ministers and officials attending on a random basis. At times, the only elected official attending a Council meeting from some provinces would be the Premier.[31]

For the most part, the Council meetings were restricted to one day, during which a large number of items were dealt with. It was apparent from the first meeting that, lacking a permanent secretariat, Council work would have to be undertaken and co-ordinated by the various ministers and officials of the provinces. This work took two forms. Some of the preparation and follow-up was undertaken by the various provincial officials, working independently of each other, consulting when needed. Some work was carried out by ongoing committees, mandated by the Council to undertake a specific task. Thus, much of the work was irregular in nature,

consisting of items that were raised and dealt with at only one meeting of the Council. A substantial amount of work required follow-up and co-ordination amongst the three provinces and in some cases this regular work was also undertaken by ongoing committees. The details involved will be examined in succeeding chapters, but some examples can be given here.

Several general items appeared consistently on the agenda. These were issues like regional economic development, agriculture, inter-provincial transportation, as well as a number of others. They normally involved specific items or problems. Some items appeared on the agenda and then were dropped temporarily, only to re-appear later. The Port of Churchill and its position in grain transportation is a good example. This item was on the agenda in 1965, 1966, and 1967, but then was dropped. It reappeared again at the two meetings in 1970, and was then dropped from the agenda again. Some items, like the Saskatchewan-Nelson Basin study, appeared initially for two or more years, and were then resolved. A number of items, like attempts to rationalize the delivery of post-secondary education were dealt with in a systematic way throughout the life of the Council. The Prairie Economic Council formed a committee to deal with this item in 1965 at the first meeting, a committee which continued until

the Council's end in 1973.[32]

In general, the Council tended to organize itself on an ad hoc basis. Issues were dealt with immediately, or by ad hoc committee, established to provide action on a particular issue. In some cases, as noted above, a permanent committee was established to deal with an ongoing item.[33]

The Council operated roughly like many other organizations. Agenda items were called for by the host Premier some time in advance of the meeting and suggestions were transmitted back, usually by letter.[34] The host Premier then circulated a proposed agenda which was adopted at the meeting. Additions to the agenda were allowed at any time.

The meetings themselves were conducted in a relaxed and informal manner. Only the Premiers were regular participants in the discussions, although, as noted above, other Ministers and officials participated on specific items where necessary. Items were taken in agenda order, discussed, and disposed of. Disposition was by means of consensus. Votes were never taken, although often formal motions were presented. Wherever discussion indicated a difference of view, a compromise was found or, failing that, the item was delayed or referred.[35]

Minutes of the meetings were kept and circulated

by the host government. These documents are of varying quality, and no special format or style was followed. Generally, no verbatim transcripts of discussions were kept.[36] The notes and minutes of the meetings were usually circulated to the other governments for verification. Follow-up work was the responsibility of the government that agreed to co-ordinate or take the lead on an issue. The next host government then assumed responsibility for ensuring that reports and continuing items were placed on the next agenda.

The lack of a permanent secretariat seems not to have greatly hampered the work of the Prairie Economic Council. Ongoing activity was co-ordinated by the respective government officials, and central agency officials, in the Premiers' offices or other provincial agencies, co-ordinated the overall agenda and work for each province. The absence of a permanent secretariat is most noticeable, however, in the incomplete records of Council activities. Although the appropriate minutes and documents were kept relatively intact in Manitoba, it is evident that a large number of documents are either missing or lie undiscovered in other agencies of the government of Manitoba. No central record-keeping function was undertaken, leaving the eventual historical record incomplete, and in some ways inconclusive.[37]

During its eight-year history, the Prairie

Economic Council did not substantially alter its structural character. The members seemed content with the manner in which the organization functioned. Only once during its existence was the role of the Prairie Economic Council reviewed. That took place in July 1970, when the Honourable Russ Patrick of Alberta was asked by the Prairie Economic Council to review both its accomplishments and current role. The Council minutes reported the following:

> The role of the Prairie Economic Conference was discussed at some length; each First Minister agreeing that the Conference played a vital role in providing an atmosphere of inter-provincial co-operation wherein the three provinces could exchange views and form a united policy on mutual problems.
>
> It was agreed that the Prairie Economic Conference would continue as in the past, meetings being called whenever possible, each province hosting the meetings in turn with the chairmanship being the responsibility of the host province. The meetings would be open to whatever Ministers the Premiers wished to invite, however, outside delegations would not be heard.
>
> Honourable Mr. Patrick agreed to prepare a report summarizing the accomplishments of the last eight meetings of the Committee for presentation at the next meeting.38

Mr. Patrick reported in December to the Council. A summary in the minutes of the December 18, 1970 meeting said the following:

> The Honourable Russ Patrick reported on his evaluation of the Prairie Economic Council since its inception. His report indicated that the Prairie Economic Council had been a valuable mechanism, had achieved many of its objectives and should continue much along the lines that it has operated

on since its inception. Both Saskatchewan and Manitoba concurred.[39]

The structure and role of the Council were not called into question again until the July, 1972 meeting. At that time Peter Lougheed, the new Premier of Alberta indicated that his government was not enthusiastic about the name of the organization. He felt that it tended to "place" Alberta in the prairies, at least in the federal government perception of the region, and that this obscured the "unique" problems that the province had. He indicated a preference for the term "western" and expressed a hope that British Columbia could be brought into ministerial discussions wherever possible. The other Premiers agreed to use the term western for ministerial meetings, although the official name of the Council was not changed.[40]

It is important to note several things at this juncture. First, there is little doubt that the Prairie Economic Council was a significant political structure in western Canada. Its regular meetings and comprehensive agenda, together with the persistent attendance of the most powerful political leaders in the provinces is sufficient evidence to place its regional significance above that of occasional consultations between prairie political leaders. Second, the regular rotation of the meetings amongst the capitals of the province, provided it with a "regional legitimacy", that could not have been achieved had the organization adopted a single specific location for its

meetings. Third, the involvement of top bureaucratic and political persons in "things regional" obviously raised the level of regional consciousness amongst the political elite of the region. Fourth, the lack of a permanent secretariat, of a permanent bureaucratic structure, and the attendent growth of a regional political elite, limited the eventual growth of regional political behaviour, and placed the permanence of the organization in some question. Fifth, the failure to provide even limited legislative and other legal frameworks for most activities must also be cited as a limiting factor, when assessing the importance of the Prairie Economic Council to region-building in western Canada.

In general the Prairie Economic Council was structured much like any regional organization. Its importance lay primarily in the fact that it was an organization which included the most important governments of the region, and the most influential politicians within those governments. Given their participation one would expect that the items dealt with by the organization would reflect the importance of the participants. In fact, as we will see, the issues that came before the Council ranged from trivial to important. In that sense, the Prairie Economic Council was typical of any organization.

## CHAPTER FOUR

## FOOTNOTES

[1]Mildred Schwartz, Politics and Territory, (Montreal: McGill Queen's Press, 1974), p. 311.

[2]John Barr and Owen Anderson, The Unfinished Revolt: Some Views on Western Independence, (Toronto: McClelland and Stewart, 1971).

[3]See Gibbins in Caldarola, p. 145. See also, Denise Harrington, "Who Are the Separatists?" in Pratt and Stevens, pp. 23-44.

[4]J. M. Beck, Pendulum of Power, (Scarborough: Prentice-Hall of Canada, Limited, 1968), pp. 374-398.

[5]Ibid.

[6]John Meisel, Working Papers on Canadian Politics, (Montreal: McGill Queen's University Press, 1973), pp. 217-248.

[7]More is explained about this later.

[8]Carlo Caldarola, "Statistical Synopsis of Alberta Provincial Elections," in Society and Politics in Alberta: Research Papers, Carolo Caldarola, editor, (Toronto: Methuen Publications, 1979), pp. 371, 373.

[9]Barry Wilson, Politics of Defeat: The Decline of the Liberal Party in Saskatchewan, (Saskatoon: Western Producer Prairie Books, 1980), p. 87.

[10]T. Peterson, "Ethnic and Class Politics in Manitoba," in Canadian Provincial Politics, Martin Robin, editor, (Scarborough: Prentice-Hall of Canada, Limited, 1972), pp. 69-115.

[11]Ibid., pp. 107-115.

[12]Ibid.

[13]Writer's personal recollection.

[14]See Chapters Five and Six.

[15]More will be said about this later.

[16]See Chapter Three, Footnote 25.

[17]When Lougheed called an election in 1975 he outlined three priorities he wanted the voters to judge him on. These were, the management of the provincial economy, the creation of the Heritage Trust Fund, and he wanted a strong "mandate" in his negotiations with Ottawa on national resource questions. For elaboration see David K. Elton, Arthur M. Goddard, "The Conservative Take-over, 1971-" in Caldarola, p. 62.

[18]J. E. Hodgetts, "Regional Interests and Policy in a Federal Structure," Canadian Journal of Economics and Political Science, vol. XXXII, (February, 1966), p. 6.

[19]Donald V. Smiley, "Co-operative Federalism: An Evaluation", in Canadian Federalism: Myth or Reality, second edition, J. Peter Meekison, editor, (Toronto: Methuen Publications, 1971), p. 320.

[20]For details on these negotiations see Richard Simeon, Federal-Provincial Diplomacy, already cited.

[21]Ibid., pp. 30, 31.

[22]Donald Smiley, Canada in Question: Federalism in the Seventies, second edition, (Toronto: McGraw-Hill Ryerson, 1976), p. 60.

[23]Ibid., pp. 61-63.

[24]Ibid., p. 64.

[25]Simeon, p. 75.

[26]"Proceedings of the First Meeting of the Prairie Economic Council," October 14, 1965, Regina, Saskatchewan.

[27]Ibid.

[28]Ibid., p. 1.

[29]Ibid.

[30]Minutes and Proceedings, 1965-1973.

[31]Ibid.

[32]Ibid.

[33]Ibid.

[34]There is simply no way to trace agenda suggestions that were transmitted by telephone or telex since there is no complete record of correspondence with which to compare the eventual agenda.

[35]Proceedings, 1965-1973.

[36]The exception seems to have occurred at the July 26, 1972 meeting when the Alberta government provided a full transcript to the government of Manitoba, and presumably Saskatchewan.

[37]Attempts were made to verify the accuracy of some information with the governments of Saskatchewan and Alberta, with varying success. It is evident that a complete record search by the governments involved would uncover much more detail about the disposition of items.

[38]Minutes and Proceedings, July 30, 1970, p. 4.

[39]Minutes and Proceedings, December 18, 1970, p. 12.

[40]Minutes and Proceedings, July 26, 1972, pp. 66-67.

## CHAPTER FIVE

## INTRA-REGIONAL ISSUES

The communiques of August and October, 1965, together with the Minutes of the meetings, provide explicit direction as to the function of the Council. It was perceived as primarily a consultative, rationalizing organization, dedicated to furthering individual provincial objectives through regional action. Premier Manning in particular emphasized his desire to "consult" with his colleagues, to "share" knowledge about common problems, without adding yet another layer of bureaucracy.[1] It was not his intention that the Prairie Economic Council should develop a high political profile, and he was opposed to mandating organizations outside of provincial governments to perform functions for them.[2]

Ross Thatcher, Premier of Saskatchewan, emphasized the cost-cutting, rationalization function of the new organization. While he indicated that he recognized the value of consultation, his primary goal was to cut the costs of providing services like post-secondary education through regional rationalization. In

addition, he thought the Prairie Economic Council could be used as a problem solving agency, a useful mechanism to resolve inter-provincial disputes in the prairie region.[3]

Premier Roblin of Manitoba had not abandoned his earlier hopes for co-operative regional development, primarily in the economic area. However, by 1965 he appeared more realistic about the chances of success.[4] This did not deter his officials, who continued to perceive the Prairie Economic Council as a prime vehicle for regional economic development.[5]

The Prairie Economic Council was not intended as a major mechanism to address federal-provincial issues. Premier Manning explicitly opposed this concept, preferring these issues to be dealt with at the Annual Premiers' Conferences.[6] Manitoba shared that view, rejecting the use of the Prairie Economic Council to aggregate regional opinion on national issues.[7] Premier Thatcher also agreed with his two colleagues on this matter.[8] This predisposition is important for two reasons. First, in this early stage one of the major dimensions of region-building, that of regional attention to the position of the region in the federation, was almost completely absent from the goals of the organization. Second, despite the intentions of the "founding fathers", the organization quickly changed,

adapting with ease to the role of regional representative.

Although the intentions of the Premiers are important in explaining the uni-dimensional role intended for the Prairie Economic Council, that intention also reflects the state of federal-provincial relations at the time. As mentioned in the previous chapter it was an era of co-operative federalism,[9] a time during which the federal government launched a number of major federal-provincial initiatives. Revenues for both levels of government were buoyant, and the economy was expanding. With the possible exception of Quebec, there was a general feeling of optimism in the country.[10] It was not yet a time when the Provinces had formed regional blocs on federal/provincial matters. Although the prairie governments were obviously interested in national issues they attempted to separate them from regional matters, a tradition not now followed.[11]

The heavy emphasis on intra-regional co-operation in the early work of the Council, produced agendas with a wide variety of issues. In order to successfully relate them to the proposed model it is necessary to categorize them. Several methods suggest themselves. For example, issues might be placed in traditional social, economic and political categories. This would be somewhat useful, but would relate only marginally to the proposed model. A second method would be to

categorize issues by provincial government department. This would allow us to be more specific, and would be useful in terms of making a determination about the focus of the Prairie Economic Council, but again, many of the issues, like regional economic development, crossed department lines, making such categories again only marginally worthwhile.

Perhaps the best way to group issues is by objective, rather than by subject matter. For example, was the purpose of discussing the Port of Churchill to develop a common regional policy on its use, to harmonize already existing regulations pertaining to it, to make it a common or jointly owned facility, or was it simply to rationalize already competing expenditures related to its use? The answer in this case is that the Prairie Economic Council attempted to develop a common overall policy on its use. The above suggests categories that might make useful distinctions, and serve as the basis for grouping the intra-regional subjects discussed by the Prairie Economic Council. For example, general categories would be:

1. Regional institutional development
2. Programme delivery rationalization
3. Regional policy development
4. Regulatory reform

More specific definitions of the four categories

would be as follows:

1. Regional institutionalization -- A continuing goal of some of those involved in the Prairie Economic Council was the development, where appropriate, of regional institutions, something discussed sporadically, but not enthusiastically, by the three governments. The Prairie Economic Council was itself a first step in this direction.

2. Regulatory reform -- Another of the goals initially outlined by the three governments was the adoption where possible of common regulations or regulatory regimes. Usually this was restricted to such areas as traffic regulations, etc.

3. Regional policy development -- This included all items on which the three governments tried to develop and implement similar policies and programmes. Such attempts at policy harmonization might be as tentative as simple consultation, and information sharing, or as elaborate as policy development committees designed to secure identical provincial policies on any given subject.

4. Programme delivery rationalization -- Another of the explicit goals of the three governments was to cut costs and increase efficiency in the delivery of provincial government services to the people of the region. This was to be done by rationalizing the

delivery of such services through the respective bureaucracies. It included something as simple as agreement on University specialization, or as complex as discussions on a common educational purchasing policy.

These categories are suggested for a number of reasons. First, the literature on regional organizations supports, in part, this type of categorization. Most authors, when discussing so-called "functional regional organizations" recognize that the member states hope to achieve economic effectiveness and mutual benefit through the co-ordination of future economic policy, as well as some savings through the streamlining of existing state services to avoid overlap and duplication where possible. Most also recognize that this may require the adoption of some regional organizational structures and the development of some common regulatory structures.[12] Second, these categories are suggested by the actors themselves in their public statements and expectations. Third, these categories allow us to make useful distinctions between and amongst the subjects brought before the Prairie Economic Council, distinctions which should make possible some generalizations about a number of facets of the Prairie Economic Council. For example:

1. It allows us to comment on the success of the Prairie Economic Council in fulfilling the original expectations of the

founding governments.

2. It provides a good indicator of the "emphasis" of the organization and its changing directions during the eight years.
3. It indicates the extent to which decision-makers chose items of a high benefit to cost category. For example, one could suggest that reform of certain highway traffic or licensing regulations, to achieve uniformity where desirable, would have minimal political or actual cost involved, and provide high economic and political returns. By contrast, the development of a regional institution to control all regional economic development would have high political and perhaps economic costs to some of the decision-makers, with less returns to some, than others.
4. The categories correspond in general to the categories suggested in the model outlined in Chapter One, and should allow us to comment on the extent to which the resolution of these issues by the Prairie Economic Council contributed to region-building.

Examination of the twelve Council meetings, using the above categories, produces some interesting results. They are displayed in Table I.

Fifty per cent of the issues dealt with by the Prairie Economic Council were of a policy development nature. This is somewhat surprising. One would have expected far greater consideration of programme rationalization since it was fully under control of the governments involved and was attractive in terms of revenue savings. The lack of a substantial number of items dealing with development of regional institutions is not surprising given the bias of the political participants involved against such development. The low number of items of a regulatory nature is also surprising, but less explainable in terms of obvious bias for, or against, such reform.

The trends involved are also quite interesting. In 1965 and 1966, the numbers of policy development and programme rationalization items were roughly equal. However, the latter dropped off sharply after the 1966 meeting, while the number of policy issues grew. There were no regulatory items suggested after 1969. The number of items dealing with regional institutionalization remains constant. The general trends tell us that the three governments were most interested in co-ordinating policy objectives, and least interested in regional

TABLE I

INTRA-REGIONAL ITEMS BY CATEGORY

| | Regional Institutionalization | Regulatory Reform | Regional Policy Development | Programme Delivery Rationalization | Total |
|---|---|---|---|---|---|
| 1965 | 2 | 0 | 6 | 4 | 12 |
| 1966 | 2 | 1 | 7 | 8 | 18 |
| 1967 | 0 | 2 | 8 | 3 | 13 |
| 02/1968 | 1 | 3 | 9 | 4 | 17 |
| 07/1968 | 1 | 1 | 9 | 5 | 16 |
| 02/1969 | 0 | 2 | 0 | 4 | 6 |
| 09/1969 | 1 | 0 | 8 | 3 | 12 |
| 07/1970 | 2 | 0 | 6 | 2 | 10 |
| 12/1970 | 2 | 0 | 3 | 2 | 7 |
| 01/1972 | 1 | 0 | 4 | 1 | 6 |
| 07/1972 | 1 | 0 | 1 | 1 | 3 |
| 03/1973 | 2 | 0 | 1 | 1 | 4 |
| TOTALS | 15 (12%) | 9 (7%) | 62 (50%) | 38 (31%) | 124 |

institutionalization.

Specific Issues - Regional Institutions

Regional institutionalization was discussed only fourteen times in the history of the Prairie Economic Council. Of these fourteen times, seven, or one half, concerned the future of the Prairie Economic Council itself. The discussions took place primarily in 1965, and several times between 1970 and 1973. The initial discussions concerned the role and function of the Prairie Economic Council, and were quickly disposed of by the founding governments.[13] In 1969, the Premiers asked for a review of the organization, and a report was submitted to the meeting of July, 1970.[14] The report was probably prompted by the fact that only one of the founding Premiers, Thatcher of Saskatchewan, was still involved. Premier Manning had been replaced by Harry Strom. Premier Roblin was initially replaced by Walter Weir in 1968, who was defeated in the 1969 election by Edward Schreyer, now Governor General of Canada. The review and discussions of 1972 and 1973 related in part to the fact that two new Premiers, Lougheed of Alberta, and Blakeney of Saskatchewan, had been elected. Alberta also expressed a desire to include British Columbia in the organization.[15]

Other issues concerning regional institutionalization were: establishment of prairie trade offices abroad, the establishment of a prairie machinery testing depot, and the establishment of a French language teacher training institution in western Canada.[16] The issue of prairie representation abroad is most interesting. It was a natural area for co-operation, and yet proved to be very difficult to resolve when the Council considered its implementation.

The issue was raised originally by the government of Alberta at the first Prairie Economic Council meeting in 1965.[17] The Honorable Russ Patrick, speaking for the Alberta government, indicated that foreign industrialists did not perceive Canada as individual provinces, but rather as a collection of regions, one of which was the prairies. He advocated combining prairie operations outside of Canada, in Britain especially, where they could combine their efforts with the federal government.[18]

Premier Roblin was cool to the idea of combined activity with the federal High Commissioner's Office, indicating that he had been unable to secure much co-operation from them. Premier Thatcher asked that the item be postponed until the next meeting. He apparently favoured a joint office, but told the Council that Saskatchewan's Agent General in London would retire in a few months, leaving him free to proceed.[19]

The issue was discussed again in 1966, at Edmonton. The discussion was brief, and the idea of joint representation was dropped.[20] It was raised again at the September 1969 meeting of the Prairie Economic Council. At that time, the government of Alberta informed the other two governments that it was actively investigating the possibility of opening a trade office in Japan. Premier Strom inquired as to the interest of other provinces.[21] The other two governments indicated interest, and the appropriate ministers were delegated to confer on the matter.[22] However, Saskatchewan and Manitoba decided not to participate in the Japanese Trade Office, which Alberta opened alone on September 1C, 1970.[23]

The entire discussion, over a period of five years, is typical of the ambivalence with which the three governments approached the issue of joint institutions. In this particular case, there was agreement on the desirability of joint action, but nothing emerged. One reason for inaction on this particular issue could have been the desire to retain a small item of political patronage. Since the provinces did not possess an "upper house" as a reward for the party faithful, one of the few positions of distinction under their control was the post of Agent General in London. It was probable that the Premiers were reluctant to relinquish the patronage appointment involved.

The issue of a regional testing facility for prairie farm machinery arose on three different occasions between 1966 and 1972. Premier Manning originally suggested the re-establishment of a machinery testing station for the prairies, indicating that his government would be willing to pay one third of the cost.[24] The initiative was met with little enthusiasm by the other two provinces, especially Premier Thatcher, who commented that he considered this a "waste of money, since the only groups who desire this are the farm unions themselves. . . . "[25] It was raised again at the January 13, 1972 meeting by Premier Schreyer of Manitoba, and was referred to the federal government. The Institute finally came into existence in 1974.[26]

Curiously, however, at least one of the member governments considered the possibility of broader institutional development, and even economic and political union of the three provinces. Between the 1965 and 1966 meeting of the Council, Premier Roblin ordered a study of the implications of prairie union undertaken. That study was completed, and a summary discussed in the Manitoba Cabinet.[27] The document begins:

> A principal reason for the formation of the Prairie Economic Council was a recognition by the three governments involved that many of the problems of development in the region had aspects of mutual concern to the three provinces. Furthermore, the Prairie Council reflected a growing recognition that the balanced development of the Canadian economy required a regional approach.

> It follows logically from this background that consideration should be given to the matter of further integration of the regional developmental effort where this would serve the best interests of the provinces comprising the region and would as well support the national interest. I, therefore, propose that Manitoba should introduce for discussion in the Prairie Economic Council the setting up of a sub-committee of the Council to examine the pros and cons of Prairie union.[28]

The proposal was apparently never given Cabinet approval, and was not on the Prairie Economic Council agenda that year.

The issue of prairie union was discussed briefly again in 1970, when Harry Strom reported on the One Prairie Province Conference, held that year in Lethbridge, Alberta. Many prominent prairie political leaders addressed the conference, including Premier Strom of Alberta, and the future Premiers of Saskatchewan and Alberta, Allan Blakeney and Peter Lougheed.[29]

Premier Strom reported on the conference to the Prairie Economic Council at its meeting of July 30, 1970. The official minutes of the meeting indicate only that he reported on the subject, but notes taken by Premier Schreyer elaborate on the discussion:

> Alberta made reference to the Conference held in Lethbridge earlier in the year on the concept of one prairie province. Alberta pointed out that it could not support the concept of one prairie province because the concept was politically unacceptable in Alberta at the present time. Furthermore, Alberta pointed out that in its view none of the prairie provinces could go for the concept because of the very large areas to be administered in each province. Alberta's position was that there should be a

> strengthening in 'beefing up' the Prairie Economic Council which could accomplish much more than the idea of one prairie province. Alberta pointed out that it had been very pleased with the forum provided by the Prairie Economic Council and was very much in favour of continuing and strengthening it.[30]

Although there is evidence of strong attention to the general question of regional institutions, few successful initiatives were undertaken. The creation of such institutions, political or economic, would be strong evidence to support the contention that region-building occurred. A lack of examples of such institutionalization, while not conclusive proof that region-building did not occur, must be considered a serious impediment to such a conclusion. More will be said about this later.

## Regulatory Reform

If one examines the items of possible co-operation outlined by the three prairie governments at the conclusion of the organizational meeting in August of 1965, it is easy to identify a number of items that can loosely be grouped under the heading of regulatory reform.[31] As mentioned above, one would have expected considerable activity in this area, given the probable high economic return for low political investment. In many cases developing common regulations should be an easy task where appropriate, and of general benefit to a number of special interest groups and individuals. Such was not the

case, however. In fact, no regulatory issues arose at all after 1969, despite the wide variety of regulatory areas provincial governments were involved in at the time.[32]

Of the nine times regulatory items were discussed by the Council, Highway Traffic Boards were the subject of discussion five times. Four other items also dealt with vehicle traffic or management.[33]

The question of Highway Traffic Boards was raised initially in 1966 by Premier Manning of Alberta. He indicated that there was much to gain from streamlining procedures across the region. The other Premiers agreed, and asked Ministers of Highways to examine the matter and report back.[34]

Their report was quite positive, and at the next meeting of the Council, Premier Manning suggested, "that a regional board be established to co-ordinate procedures."[35] That directive was never acted on. At the next Council meeting, Ministers of Highways explained that there might be jurisdictional conflicts with the federal government if a regional Highway Traffic Board was established. Accordingly, the Ministers were instructed to enter into discussion with the federal government on this matter. As well, they were instructed to discuss proposals for achieving uniformity on a number of other subjects. The idea of a regional board was never

proceeded with, the Council being satisfied that progress was being made toward uniformity without the establishment of a formal, regional Highway Traffic Board.[36]

Other regulatory issues were dealt with by agreement or co-operation. There is little else in this category which requires examination, except to reiterate that when faced with an opportunity to develop a regional regulatory regime, governments first agreed, and then retreated from such an action, deciding instead to proceed by co-operation and agreement.

## Programme Delivery Rationalization

During the first two years items that involved the rationalization of the delivery of government services were a high priority for the Prairie Economic Council. This is not surprising, since Premier Thatcher of Saskatchewan perceived it as a high priority. Indeed, he was almost single-minded in his pursuit, caring little for joint economic development by the three provinces.[37]

After some initial forays into a number of areas, including attempts to rationalize bursaries for planners, specialized medical facilities, relocatable classrooms, services to the blind, and prosthetic appliances,[38] the Premiers were content to discuss two major areas; university rationalization, and civil service salaries.[39]

Both areas were major budget items, and both were substantially under provincial control.

Controlling the costs associated with post-secondary education was a major goal of all three governments, but especially for Saskatchewan. Rationalization of university services on the prairies was emphasized by Ross Thatcher, and his Minister of Finance, Dave Steuart, who chaired the Inter-provincial Committee on University Rationalization until 1971.[40]

By 1965, it was obvious to provincial governments that expansion of university facilities, necessitated by the revolution of rising educational expectations, and the arrival of the post-war baby boom, was about to place enormous financial demands on provincial governments. These demands totalled increases in university budgets in the order of twenty to twenty-five per cent during the period under review, and in most cases led to a doubling of the portion of provincial education expenditures directed to university education.[41]

It is not surprising, therefore, that this item would be one of the first, and most important, before the Prairie Economic Council. At the initial meeting of the Prairie Economic Council, in October of 1965, the Premiers commented in the following way:

> Premier Roblin stated that within the Province of Manitoba a Committee on Higher Education has been established to co-ordinate the planning of new

> university disciplines and faculties. The Committee has been successful in avoiding duplication of facilities in those areas where the faculty or discipline is of a highly specialized, or highly technical, nature. Premier Roblin suggested that benefits would accrue if a similar type of committee were established for the prairie region.
>
> Premier Manning agreed that such a committee would be of benefit, but cautioned that this approach would not be well received by the universities.
>
> The Premiers agreed that the Chairman of the Higher Education Committee in each province be asked to look at the problem, set out areas where potential duplication exists and report through the Premiers to the next meeting of the Prairie Economic Council. It was agreed that their examination should include university facilities only and not technical training at this point.[42]

That report was delivered to the Premiers at the next meeting of the Prairie Economic Council. The Premiers were obviously impressed with the continuing need for co-ordination. However, they apparently wanted firmer recommendations to deal with, and so instructed their representatives.[43]

The Committee reported again to the next meeting of the Prairie Economic Council with a series of recommendations, one of which was to establish a permanent "Education Secretariat". The Premiers rejected this proposal, but instructed the Committee to consider further the question of duplication.[44] This marks a significant turning point on the issue for the Prairie Economic Council. As with other issues, the Prairie Economic Council rejected a suggestion to establish a

permanent body, responsible to the Prairie Economic Council as an organization, and not to each of the provinces individually. This reluctance is unexplainable, except as a commentary on the perceptions of the participants as to the role of the organization, which at this point they obviously perceived as consultative in nature.

The Committee, entitled Inter-provincial Committee on University Rationalization or IPCUR, continued its work through 1969, with some changes in the membership.[45] By 1970, it became apparent that not enough had been done to curb mounting expenditures and at the meeting of July 30, 1970, the issue was raised again in detail:

> Mr. Steuart reported on the work done by the Committee during the last three years. He advised that an inventory of the Universities in the three provinces had been undertaken and a report would be forthcoming shortly. He outlined briefly some of the recommendations of the Committee.
>
> It was the consensus of opinion that something had to be done to curb escalating university costs and that inter-provincial liaison would be an effective way in which to achieve this goal. It was agreed that the present committee should be enlarged and given added responsibility.
>
> MOVED that the Inter-provincial Committee on University Rationalization be composed of six members; one Minister from each of the three provinces and one administrator; and that Mr. Don (sic) Steuart be appointed Chairman for the first year.
>
> MOVED that the Chairman of the Inter-provincial Committee on University Rationalization, at the first meeting convened, take under consideration the suggestion that all university expansion programs be subject to the advice of the University Grants

Commission and to the Inter-provincial Committee on University Rationalization.[46]

The report mentioned was presented at the next meeting, on December 8, 1970:

After considerable discussion the recommendations in the report were approved by the Council, namely;

(a) The Universities Co-ordinating Committee will be authorized to undertake further studies, with a view to University rationalization, and will be provided with money to undertake these assignments.

(b) Prairie universities are urged to set priorities, keeping in mind that the first priority of the respective governments is the undergraduate education of its students. Priorities for other programs such as research, post-graduate education and community services, must be reconciled in terms of the financial assistance available.

(c) Costs beyond those borne by the governments should not be met by increasing tuition fees, or by limiting enrolment.

(d) Intra-university rationalization must take place, along with inter-provincial rationalization. Special consideration should be given to reducing the number of low-enrolment courses.

(e) The Universities Co-ordinating Committee takes the position that no approval or support to major new programs will be granted without interprovincial consultation.

On the matter of a meeting of the Prairie Economic Council with the Presidents and the Chairmen of the Boards of Governors of the various universities in Alberta, Saskatchewan and Manitoba, it was agreed that this meeting would take place in Regina, January 29, 1971.[47]

Recommendation (e) is probably the most significant for this study. In this instance, the Premiers in Council agreed to restrict a provincial government activity, that is, undertaking new academic

programmes, unless there was prior consultation, presumably with IPCUR. In other words, the Council had delegated a substantial administrative responsibility to the Committee, the responsibility of review of university programme expansion in all three provinces.[48]

IPCUR did not change substantially after the major review of 1970, although the Premiers changed its name to the Post-Secondary Co-ordinating Committee in 1972, and slightly expanded its terms of reference. In 1973 IPCUR officially died, transformed into the Western Canada Post-Secondary Co-ordinating Committee, composed of western provincial ministers responsible for post-secondary education. This last committee has maintained the tradition of close co-operation, begun by its Prairie Economic Council predecessor.[49]

In the assessment of IPCUR's permanent chairman, former Saskatchewan Finance Minister Dave Steuart, the Committee was unsuccessful in its attempt to rationalize University expansion.[50] The structure and the membership of the Committee made its task difficult if not impossible. Despite the major report tabled in December of 1970, and the mandate given it by the Council, duplication of university activities continued apace. In the words of Senator Steuart, "the universities killed IPCUR."[51]

The second area of rationalization involved civil service salaries. The goals of governments with regard

to civil service salaries were fairly evident. They wanted to exchange information in order to better co-ordinate and regionalize civil service "matters", (read salaries).[52]

Nothing was done at the first meeting, however, and the issue was raised again by Premier Thatcher at the next meeting. The second discussion was a bit more candid and although all agreed on the desirability of sharing common information and approaches, Premier Manning best summed up the major worry:

> . . . it would be unwise for the governments to create the impression that they were attempting to establish a common percentage for proposed salary increases. This, . . . might create the impression that the governments were ganging up on the civil service associations.[53]

The issue was raised again several times, but the practical difficulties outlined by Premier Manning prevented any formal co-operation. There is, of course, no evidence of an informal verbal agreement, something First Ministers quite often do.

There is little doubt that the Prairie Economic Council's most persistent efforts were directed toward rationalization of education services. In the judgment of Senator David Steuart, quoted earlier, they were not successful. Certainly gauged in terms of the effectiveness of IPCUR one could not conclude that it was a significant example of region-building. It is significant,

however, that provincial educational elites were subjected to the control, albeit temporary, of a regional agency. Whatever the motivation of the decision-makers this exercise cannot be dismissed because of its ultimate failure to conclude what can only be described as an extremely ambitious undertaking. The willingness of the provincial governments involved to move beyond simple consultation and individual action to the delegation of power to a regional committee is atypical of the Prairie Economic Council and significant in itself.

## Regional Policy Development

A look at the list of proposed activities for the Prairie Economic Council in 1965 clearly indicates that the major goal of the organization was the development of common regional policy objectives, primarily in the economic sphere.[54] This was strongly advocated by Manitoba; less so by Alberta and Saskatchewan.[55] A simple examination of the numbers of items classified as "Regional Policy Development Items" in Table I confirms the inclination. However, it also indicates a decline

of interest by 1970, and a further examination of the actual items discussed reveals that the Prairie Economic Council never really fulfilled early hopes in this area. Manitoba's expectations are outlined in detail in an internal document drawn up in 1964:

> Based on the assumption that the Prairies are one economic region, the planning of economic development should logically be conducted for the region as a whole. The elimination of duplication of effort is one aspect, but research and development, market research, transportation and highway programmes, agricultural products marketing, fisheries development, etc. could all be programmed, at least, for the region as a whole.
>
> This pooling of common objectives and the means for reaching them could be expected to speed economic development, all things being equal. Furthermore, some tasks are either too large for one province alone or too marginal in return, but acceptable as a shared undertaking. However, the first task of a regional council would be to decide what tasks could or should be viewed regionally. In this, we would presume that the various provincial planning bodies would combine their efforts in certain fields.
>
> The major need for economic development for this region is in the diversification of industrial and related effort. This in turn requires acceptance of a concept of pooled resources since our region is relatively discriminatory in resource distribution -- Alberta for mineral/petroleum, Saskatchewan for fertility and grain production (now with potash) and Manitoba with finance, light industry, transportation and merchandizing (with minerals now at Thompson). We presume that a Regional Council would try to work out the complementary nature of the Prairie Economy and then work to this advantage.
>
> A prime consideration of pooled research and planning would be to eliminate costly and self-defeating intra-regional competition for growth in industry and people. The protective or 'self-sufficient' promotion of a provincial economy at the

expense of other provinces can only be damaging in the long run to the region as a whole. With industry given the best integrated support from pooled regional promotion, a more rational development of the prairie economy might well occur.

Provincial preference would be the first target for elimination in any pooled approach to economic development since each province would necessarily expect complementarity with the others in the group. This would be encouraging to business and to consumers alike.

The tax base would be more evenly distributed and the potential for further development might well be enhanced. Services other than purely economic programmes would in turn be operated, even provincially, on a more sound economic base.

The more rational use of labour resources would be the most important planning objective. We in the Prairies must make the best use of relatively small populations using resources widely dispersed. There is the ultimate logic that there can really be no such thing as a provincial economy or labour force. By regional planning approaches, we can combine realistically for strength without in anyway abandoning the appropriate virtues of decentralized administration.

The actual administration of certain activities might be carried out with more regional emphasis, through joint administration or like arrangements. Consolidation of effort would, however, only lead to the creation of common institutions in cases where the tasks to be performed were such as to make a centralized direction more desirable. We envisage, at first, a paralleling of programmes rather than an actual merging of functional agencies and institutions. As a matter of logic, we would have to resolve the difficulties of dissimilar techniques and approaches among the provinces before we could expect even desirable consolidation of institutions to proceed with any rapidity.[56]

In a burst of enthusiasm, the document concludes:

We summarize that, given real economic and developmental advantages, political union might follow eventually from merged programmes and more

> rationalized resource utilization. Hydro might become regional, then telephones. Then a Highway Commission might follow. Depending on the population migration flow, it might be reasonable to work out area-wide or regional constituencies. Debt/asset redistribution might follow specific mergers of activities. Ultimately actual political union might be the best result of gradual erosion of dissimilarities in municipal, school and social organizations. Religion in education is a recently aroused controversy for one example of a need for caution in hasty moves toward union. Finally, we suggest that political union may best follow as the anti-climatical recognition that economic and social union are facts. This is not nearly the time to consider when this might be.[57]

The politicians were more realistic, however, and in the main chose to deal with this subject in a more specific manner. At the first meeting of the Prairie Economic Council, the matters of resource and industrial development were joined together for study:

> Premier Manning suggested that, because of the emphasis in the three prairie provinces on the development of natural resources, it is worthwhile to compare the general policies, legislation and regulations with respect to resource development. He suggested that a committee be established at the deputy minister level to compare these policies, legislation and regulations. Premier Manning volunteered to take the initiative in getting the deputies together to compare what each was doing and to report to the next Prairie Economic Council meeting.[58]

The Council agreed on the following:

> It was agreed that Alberta would take the initiative in establishing a committee of deputy ministers which would compare policies, legislation and regulations on resource and industrial development, examine the question of co-ordination of policies on resource development and regional industrial development and examine the possibility of compilation and exchange of statistical information and research relating to economic development.[59]

Clearly the Premiers wanted information on this subject, as well as options for co-ordination, where possible.

A report was compiled and submitted to the next meeting of the Prairie Economic Council, entitled, "Comparison of General Policies, Legislation and Regulations with Respect to Mineral Resource Development in the Prairie Provinces."[60] The Council agreed that the reports should be studied by the departments concerned and further recommendations regarding uniformity be brought forward.[61]

However, no further recommendations or reports appeared, and no further study was done. Certainly no meaningful attempt was made to co-ordinate the industrial or natural resource development policies of the three provinces. It is possible that such activity continued between or among the three provincial departments of mineral resources, but it was apparently never again undertaken through the Prairie Economic Council. A major objective of the Council was dismissed early in its history, ensuring that its future development as a regional co-ordinator would be severely limited.[62]

Though the kind of total regional planning envisaged in the Manitoba research paper did not materialize, the Prairie Economic Council did deal with a number of issues, and attempted to develop regional

policies, short of a comprehensive plan. Of the sixty-two items that are included in this category many were "regulars" on the agenda, appearing several times. For example, the Port of Churchill, the Saskatchewan Nelson Basin Study, tourism, government purchasing policies, consumer prices, and budget co-operation, appeared several times on the agenda.[63] Important items included those listed above as well as things like farm land prices, regulation of trust companies, co-operation on educational curriculum, and estate taxes. Less important policy questions were also discussed: beer and wine advertising, trade with Czechoslovakia, out-of-province students, and at one point a submission from World Seeds Incorporated.[64]

A detailed look at a number of the more important issues reveals that as a vehicle for regional policy development the Prairie Economic Council was only partially successful.

The Port of Churchill appeared on the agenda of the Prairie Economic Council a total of six times. It was raised originally at the first meeting in 1965 by Premier Roblin of Manitoba. He was concerned that the port was in serious financial trouble, and, "urged that determined action be taken to prevent the Port of Churchill from becoming a marginal facility."[65] He was strongly supported by Premier Thatcher of Saskatchewan,

because northern Saskatchewan farmers shipped a good deal of grain through the port. Premier Manning of Alberta was largely disinterested in the issue, since little Alberta commerce flowed through Churchill. The Premiers agreed to appoint a co-ordinating committee to study the issue and report back with both long and short term solutions to the problems of the port.[66]

The item was discussed at the second meeting of the Prairie Economic Council. Premier Roblin indicated that the reports were not complete, and that the committee should meet again. Premier Thatcher advocated a "buy British" campaign in the meantime, hoping that most of the British goods coming to the prairies could be shipped through Churchill. His suggestion was agreed to by Premiers Roblin and Manning, though with some reluctance.[67]

The Port of Churchill remained on the agenda for the next meeting, the following year. At that meeting, the committee report was presented. The Minutes indicate that a discussion on the report took place, but the only specific conclusion was that the three provinces support a British Trade Fair to boost the port's imports from Britain.[68]

The issue did not reappear again until the seventh meeting of the Prairie Economic Council, on September 29, 1969. It was raised by the new government

of Manitoba. After discussion, Manitoba agreed to make a specific presentation at the next meeting of the Prairie Economic Council.[69] At that meeting, Premier Schreyer did not present a full presentation on the subject. Instead, he indicated that the federal government was in the midst of disbanding the National Harbours Board, and that discussion of Churchill would be "premature" at that time.[70]

The matter appears for the final time at the December 18, 1970 meeting of the Council. At that time, Premier Schreyer of Manitoba again reported that little had happened. The proposed study apparently never materialized, and the extent of Prairie Economic Council involvement turned out to be an agreement that all three provinces would provide a small grant to the Port of Churchill Commission, a group of people interested in the development of the port.[71]

This issue illustrates the diversity of the region's economy and interests. Only the government of Manitoba's interest in keeping a Hudson Bay Port, and the needs of northern farmers in Saskatchewan, kept the issue alive. Alberta had little direct interest, and as a single economic issue the Port of Churchill was of limited regional significance. It is not surprising that little was accomplished.

Tourism was also a regular issue on the Prairie

Economic Council agenda during its first years. The Premiers were initially quite enthusiastic and ambitious about promoting regional tourism. They instructed the Deputy Ministers of Tourism to meet and discuss how best to promote the prairie region as a tourist area.[72] Little progress was made. The Premiers instructed the Committee to continue.[73] At the first Prairie Economic Council meeting in Winnipeg, the minutes indicate the difficulties of co-operation:

> They concluded that the provinces should continue to co-operate wherever possible in tourist promotion, while acknowledging the individual needs of each province.[74]

Some co-operation was attempted, and at the next Prairie Economic Council meeting a report was submitted indicating that the committee had examined a number of options for joint tourist promotion. However, they had agreed in substance only to sponsor joint displays in some fringe areas.[75] The Committee reported again at the July 10, 1968 meeting. It was agreed that, "there was good liaison between the provinces in this area, and the Directors of Tourism should continue with this worthwhile work."[76]

Tourism does not appear on the Prairie Economic Council agenda again after 1968. One can only conclude that the Council felt that the greatest extent of co-operation had been reached in this area, short of a

regional organization for tourism, which seemed impossible at that time. Certainly there is nothing in later meetings to suggest that the Prairie Economic Council thought this item to be one that needed further attention. In fact, little was accomplished for two reasons. First, the region was not homogeneous in its attractions. Second, there were varying levels of interest in tourism. Premier Thatcher remarked at the 1966 meeting that Saskatchewan "had very little tourism."[77]

A number of regional initiatives in agriculture were undertaken by the Prairie Economic Council during its lifetime, but few were of lasting significance, or of lasting structure. The federal responsibility for transportation, and ports, and primary federal jurisdiction in agriculture, meant that the provincial governments needed always to co-ordinate regional co-operation with federal policies. As a consequence, the Prairie Economic Council tended to act as a pressure group in most of these matters. The obvious exceptions occurred in areas like marketing boards, where the provinces had a substantial role to play. In general, however, the Prairie Economic Council left no lasting regional initiatives in the field of agriculture.[78]

A brief review of economic items would not be complete without remarking on a curious issue brought before the Council by Premier Thatcher in 1967, the removal

of the restriction on the sale of bricks. The following is a summary of the exchange:

> Premier Thatcher explained that Saskatchewan had proposed this item and recalled that at the last meeting of the Council, Alberta had specifically stated that as far as the agreement on restrictions was concerned, Crown Corporations were excluded. He stated that if Alberta would remove the restrictions on brick sales in Alberta, Saskatchewan would remove the regulations in Saskatchewan controlling the use of Alberta bricks in school construction in Saskatchewan. He explained that the Brick Company was now set up as a private corporation. Saskatchewan was no longer subsidizing the plant.
>
> Premier Manning explained that the principle behind the restrictions in Alberta was that it was unfair to expect a private company to compete with a Crown Corporation which received certain low concessions.[79]

It would appear that Premier Thatcher ran into a "brick wall" in his attempt to get the restrictions removed.

The issue of environmental pollution first arose in 1970 at the July 8 meeting. By this time, environmental protection had become a major political issue, one on which the provinces sought to co-operate. At the July meeting, the Council agreed on the necessity of working together and asked their officials to meet and prepare a report for the next meeting of the Prairie Economic Council.[80] However, a serious difference of approach to the issue developed at the next meeting:

> In the course of discussion on this matter, Manitoba stressed the need for the Government of Canada to accept a more dominant role in the matter of pollution of inter-provincial waters. Alberta indicated that its position was to proceed with full

> speed to fulfill provincial jurisdiction and powers and responsibilities in this matter.
>
> The matter of a prairie pollution committee was discussed and it was agreed that rather than establish a new committee or organization that the terms of reference of the Prairie Provinces Water Board should be expanded, if necessary, so that the existing Board (involving other Ministers and officials as necessary) would address itself to consideration of inter-provincial matters on water pollution.
>
> Alberta took the position that any major problems on pollution of inter-provincial waters should immediately be brought to the attention of the Prairie Economic Council for resolution.
>
> On the matter of adjudication of problems, Alberta took the position that the three provinces of the Prairie Economic Council should adjudicate these matters themselves rather than ask the federal government to adjudicate them for us.
>
> It was further agreed that each province would explore the feasibility of the establishment of an inter-provincial adjudication board and report back to the next meeting of the Prairie Economic Council.[81]

This difference of approach was evident in other matters, with Alberta normally adopting a tougher stance on provincial jurisdiction, attempting to limit the involvement of the federal government. Manitoba, by contrast, seemed more sympathetic to federal aid and co-operation. The election of new governments in Saskatchewan and Alberta did not diminish the interest in this item, and it was discussed at both Prairie Economic Council Meetings in 1972. Much of the discussion focussed on jurisdictional questions. Finally, the Premiers decided once again to send the issue back to their Ministers, but this time to the Ministers of both

Industry and Environment.[82] Nothing substantial was decided by the Prairie Economic Council before its last meeting in 1973.

Although the subject of budget co-operation was only considered twice by the Premiers, it was one where a good deal of regional co-operation was started, and eventually endured. The possibility of co-operation on tax and other budget measures was raised by Premier Thatcher at the meeting of January 18, 1968. The Council discussed a wide range of budget matters, finally agreeing that the Provincial Treasurers should meet before the next meeting of the Council. Saskatchewan was given the task of calling the first meeting.[83]

The Treasurers met on July 8, 1968, two days before the Prairie Economic Council meeting to which they were to report. A copy of the minutes of that meeting is available. It demonstrates some of the problems of co-operation in this area. The Ministers had been asked to do six things:

1) Establish common expenditure priorities;

2) Consult with each other prior to instigating any tax changes;

3) Establish natural resources development incentives;

4) Co-ordinate their activities on bond and debenture issues so as to avoid flooding the market;

5) Exchange information for development of meaningful statistics on a uniform basis;

6) Exchange information regarding methods of reducing administrative costs.[84]

The Treasurers considered each of these items, as well as a number of federal-provincial tax questions, and recommendations were forwarded to the Prairie Economic Council on each item. The details of the recommendations are too lengthy to reproduce here, but two observations should be made. First, the Ministers found a number of obstacles to extensive co-operation and co-ordination. Most related to the traditions of budget secrecy, Cabinet control of priorities, and the lack of clear regional guidelines on natural resource development. Second, despite the problems raised above, the Ministers agreed that it would be extremely useful to exchange information on a number of issues and agreed to meet on a regular basis October 15, and November 15, of each year.[85]

The minutes of the meeting, and recommendations were forwarded to the next meeting of the Prairie Economic Council. The Council accepted their report and requested the Ministers to continue their annual meetings.[86] As well, a number of concerns were forwarded to the federal government. However, the main objective of the initiative, close co-operation on provincial budgets, was partially achieved.

One final issue is worth mentioning, the Batten

Commission Report on consumer problems and inflation.[87] This Royal Commission was the joint effort of the three prairie provinces, announced in December of 1966 and is unique in prairie, if not Canadian, history. The Commission was mentioned in Prairie Economic Council discussion in 1967. Premier Roblin was delegated to write Judge Batten and enquire as to further costs and the likelihood of receiving the report by September 31, 1967.[88] The report was not received until 1968, and discussed at the Prairie Economic Council meeting of July 10, 1968. In total, the Commission cost the three governments over $150,000.[89] The report was discussed vigorously at the Prairie Economic Council, especially with reference to the recommendation that each province establish a department of consumer affairs. The Council agreed to the following:

> The Premiers agreed on the following action in two phases:
>
> (1) The three responsible provincial Ministers meet first and go into the Report at an early date to co-ordinate their conclusions.
>
> (2) The Ministers then would meet with the Federal Government to discuss further the recommendations, their inter-relationship, divided jurisdiction and responsibility.
>
> As a result, the following statement was prepared as guidance for each othe Premiers at the press conference to follow the conclusion of this Conference:
>
> 'Prairie Economic Council has discussed the proposals contained in the Report of the Batten Commission.'

> In general, the courses of action fall into two categories:
>
> (1) Those areas of responsibility which clearly fall to the Federal Government;
>
> (2) Courses of action for which the provinces individually must be responsible.
>
> It should be noted that the Federal Government already has established a Department of Consumer and Corporate Affairs. It is therefore proposed that Ministers from the Prairie Provinces will meet at an early date to co-ordinate their conclusions. They will then seek a meeting with the Federal Government Department to consider the Batten Commission recommendations. This seems essential in view of the inter-relationship and divided jurisdictions in this field.
>
> It was felt that the provinces should look toward co-operating with the Federal Government for joint action where this seems necessary.[90]

The Batten Commission was a genuine regional undertaking, though its conception was not the result of an initiative at the Prairie Economic Council meeting. It is still significant that the Prairie Economic Council was the decision-making forum chosen to receive the report. The Prairie Economic Council was both a convenient forum for discussing a matter like this, as well as a mechanism by which the three governments could speak jointly about its recommendations.

The number of regional policy issues dealt with declined sharply in the later years. Attempts were made by Premiers Blakeney and Schreyer to discuss some items of common ideological interest, but the focus of the organization was shortly to shift from intra-regional

policy development.

This review of intra-regional issues indicates that the expectations of the founding governments in this area were only partially fulfilled. There was considerable consultation, but only some policy co-ordination, programme rationalization, and regulatory reform. In general the intra-regional function of the organization declined during its lifetime.

As already noted, the emphasis of the organization shifted during the eight years from primarily intra-regional issues to primarily extra-regional issues. Within the categories developed to analyze intra-regional issues, there was only minimal shift during the twelve meetings. The Prairie Economic Council continued a rough balance between policy development issues and rationalization items at first, but developed a slight bias toward the former in later years. A subjective judgment on the importance of the individual issues dealt with in these two categories would lead one to conclude that the relative importance of issues brought to the Prairie Economic Council declined in all categories.

The governments involved responded only partially to one of the assumptions outlined at the beginning of the chapter. There seemed not to be a perception that relatively "easy" items like regulatory revision should

be dealt with in great numbers by the Prairie Economic Council, despite their high benefit, low cost, attractiveness. Nor were such activities pursued outside of the Prairie Economic Council during this period, except occasionally at the annual meeting of Premiers. One explanation is that the Premiers did not think that the items involved were sufficiently "grand" in nature, and therefore beneath the attention of a first minister. This trend is obvious in items dealt with during the eight years. Items of small significance, like prosthetic appliances, tended not to appear at later meetings. It may be that Premiers simply did not want to deal with largely technical issues.

There was, however, a distinct reluctance on the part of the Premiers to engage in high cost-low general benefit activities like regional economic development, or even joint positions on things like civil service salaries. As anticipated, wherever the general benefit of an activity was low, and the apparent cost to one of the actors even moderately high, there was no consensus on an item.

There seem to be four major reasons why the intra-regional function of the Prairie Economic Council declined over the period 1965-1973.

First, when the organization was new, the focus clear, and enthusiasm was high during the initial years,

a genuine attempt was made to deal with substantive issues. However, when it became apparent that such co-ordination and co-operation would be difficult, if not impossible, to achieve on some items, enthusiasm waned. Second, the founding Premiers were naturally quite committed to making the Prairie Economic Council work. It was their "political child". Such was not the case with later premiers who inherited their role.[91] Third, with the changes in government in Alberta and Saskatchewan in 1971 came a new outlook on regional problems. Naturally, both new governments were reluctant to fully endorse something that was conceived by their political opposition.[92] Consequently the focus of the organization was changed dramatically after 1972, and shortly thereafter became the Western Premiers' Conference. Fourth, and finally, the context of Canadian federalism changed dramatically during the period 1965-1972. Provincial governments were involved in considerably expanded roles, which required co-ordination with the federal government. In that sense federal-provincial matters and mechanisms became increasingly important. This would ordinarily have led to the diminishment, if not demise, of the Prairie Economic Council, had it not added an extra-regional dimension to its role.

The categorization scheme adopted for intra-regional issues proved quite useful. In particular, the

following conclusions can be drawn from the information examined. First, while the formation and continued existence of the Prairie Economic Council was in itself a significant example of regional institutional development, it was not followed by further institutionalization that might lead one to conclude that region-building, in institutional terms, proceeded significantly during the period examined. Indeed, although some governments examined extensive proposals for regional institutional development, even the most tentative items were rejected by the provincial decision-makers. Second, several significant examples of programme delivery rationalization were examined by the Council. Such attempts though not completely successful, were sufficiently persistent to warrant serious theoretical consideration. Third, attempts at regional policy development and regulatory reform seemed only marginally effective. While there was considerable discussion about co-ordination of policy, such discussion produced few concrete results. In general therefore, one would have to conclude that while the appearance and persistence of the Prairie Economic Council as an organization was a significant example of region-building, our examination of intra-regional issues does not suggest that the organization was successful in establishing further significant regional political behaviour patterns or institutions.

More will be said about this in the last chapter.

## CHAPTER FIVE

## FOOTNOTES

[1]Interview with Senator Ernest Manning, Ottawa, June 23, 1981.

[2]Ibid.

[3]Interview with Senator David Steuart, Ottawa, June 23, 1981.

[4]Interview with Senator Duff Roblin, Ottawa, June 23, 1981.

[5]Manitoba background paper, September 30, 1965.

[6]Interview with Senator Ernest Manning, Ottawa, June 23, 1981.

[7]Manitoba background paper, September 30, 1965.

[8]Interview with Senator David Steuart, Ottawa, June 23, 1981.

[9]This term has been used in a variety of ways, but is used here to indicate federal-provincial co-operation in the negotiation of programme development and delivery. See Donald Smiley, "Co-operative Federalism: An Evaluation", Canadian Federalism: Myth or Reality, second edition, J. Peter Meekison, editor, (Toronto: Methuen Publications, 1971), p. 320.

[10]This is actually a conclusion from hindsight. Although there was "separatist activity" in 1967, it was not yet conceivable that a government dedicated to the withdrawal of Quebec from confederation would be elected less than ten years later.

[11]A comparison of the first Prairie Economic Council communique and the latest communiques from the Western Premiers' Conference provides an interesting contrast.

[12]Amitai Etzioni, "The Epigenisis of Political Communities at the International Level", in International Politics and Foreign Policy, James N. Rosenau, editor, (New York: Macmillan and Company, 1969), p. 346.

[13]Minutes and Proceedings, October 14, 1965, p. 1.

[14]Minutes and Proceedings, July 30, 1970, p. 7. See also comments in Chapter Four.

[15]See Chapter Four.

[16]See Minutes and Proceedings, 1965-1973.

[17]Minutes and Proceedings, October 14, 1965, p. 11.

[18]Ibid.

[19]Ibid.

[20]Minutes and Proceedings, September 2, 1966, p. 9.

[21]Minutes and Proceedings, September 29, 1969, pp. 4-5.

[22]Ibid.

[23]Minutes and Proceedings, July 30, 1970, p. 5.

[24]Minutes and Proceedings, January 18, 1968, p. 20.

[25]Ibid., p. 21.

[26]Minutes and Proceedings, January 13, 1972, pp. 4-5.

[27]Background paper. Proposal that the Prairie Economic Council establish a sub-committee to examine the advantages and disadvantages of a possible union of the three prairie provinces, August 19, 1966.

[28]Ibid.

[29]David K. Elton, editor, One Prairie Province? Conference Proceedings and Selected Papers, (Lethbridge, Alberta: The Lethbridge Herald, 1970).

[30]Edward Schreyer, Premier of Manitoba, notes taken at the Prairie Economic Council meeting, August 13, 1970, p. 7.

[31]See Table I.

[32]See Table I.

[33]Minutes and Proceedings, October, 1965 to February, 1969.

[34]Minutes and Proceedings, September 2, 1966, p. 15.

[35]Minutes and Proceedings, June 22, 1967, p. 5.

[36]Minutes and Proceedings, January 18, 1968, pp. 14-15.

[37]Interview with Senator Steuart, Ottawa, June 23, 1981.

[38]Minutes and Proceedings, 1965, 1966.

[39]Minutes and Proceedings, 1965-1973.

[40]Interview with Senator Steuart, Ottawa, June 23, 1981.

[41]A. T. Wakabayashi, "Change and the Universities: University-Government Relations -- Comment II", in Canadian Public Administration, Spring 1970, vol. xiii, no. 1, pp. 25-29.

[42]Minutes and Proceedings, October 14, 1965, pp. 5-6.

[43]Ibid., 1966, p. 2.

[44]Ibid., 1967, p. 2. Copies of these reports are not available.

[45]See Minutes and Proceedings, 1967, 1968. The Committee had originally been comprised only of the Chairman of the Higher Education Committee in each province. At various times, other officials were added.

[46]Minutes and Proceedings, July 30, 1970, p. 3.

[47]Minutes and Proceedings, December 18, 1970, p. 5.

[48]There is no indication in later documents, or in news reports, that the meeting mentioned in the minutes, between the Prairie Economic Council and the various university officials, ever took place.

[49]Minutes and Proceedings, January 13, 1972, p. 2, and conversation with Dr. Alex Guy, Deputy Minister, Department of Continuing Education, Government of Saskatchewan.

[50]Interview with Senator Steuart, Ottawa, June 23, 1981.

[51]Ibid. Senator Steuart was commenting on the reluctance of the Universities to co-operate with the provincial governments in rationalizing University programmes.

[52]Minutes and Proceedings, July 17, 1967, p. 2.

[53]Minutes and Proceedings, January 18, 1968, pp. 11-12.

[54]Communique, October 14, 1965, Regina.

[55]Interviews with Senators Manning, Roblin and Steuart, Ottawa, June 23, 1981.

[56]Precis Examination of Potential For Prairie Provinces Economic Council, Economic Research Division, Government of Manitoba, November 10, 1964.

[57]Ibid., p. 3.

[58]Minutes and Proceedings, October 14, 1965, p. 9.

[59]Ibid., p. 10.

[60]Minutes and Proceedings, September 2, 1966, p. 5. No copy of the report was available.

[61]Ibid.

[62]The issue was raised again briefly at two subsequent meetings, December 18, 1970, and January 13, 1972 in relation to lowering environmental standards. However, no real suggestion was made to pursue common industrial policies.

[63]Minutes and Proceedings, 1965-1973.

[64]Ibid.

[65]Minutes and Proceedings, October 14, 1965, p. 7.

[66]Ibid.

[67]Minutes and Proceedings, September 2, 1966, p. 3.

[68]Minutes and Proceedings, June 22, 1967, p. 3.

[69]Minutes and Proceedings, September 29, 1969, p. 2.

[70]Minutes and Proceedings, July 30, 1970, p. 1.

[71]Minutes and Proceedings, December 18, 1970, p. 2.

[72]Minutes and Proceedings, October 14, 1965, p. 13.

[73]Minutes and Proceedings, September 2, 1966, pp. 7-8.

[74]Minutes and Proceedings, June 22, 1967, p. 4.

[75]Minutes and Proceedings, January 18, 1968, p. 10.

[76]Minutes and Proceedings, July 10, 1968, p. 10.

[77]Minutes and Proceedings, September 2, 1966, p. 7.

[78]Minutes and Proceedings, 1965-1973.

[79]Minutes and Proceedings, June 22, 1967, p. 5.

[80]Minutes and Proceedings, July 8, 1970, p. 6.

[81]Minutes and Proceedings, December 18, 1970, pp. 9-10.

[82]Minutes and Proceedings, July 26, 1972, pp. 11-14.

[83]Minutes and Proceedings, January 18, 1968, pp. 9-10.

[84]Minutes of First Meeting of Provincial Treasurers of the Prairie Provinces, Regina, July 8, 1968, p. 2.

[85]Ibid., pp. 2-8.

[86]Minutes and Proceedings, July 10, 1968, pp. 8-9. The Treasurers continued to meet annually until the termination of the Prairie Economic Council in 1973.

[87]Mary J. Batten, Dr. Shirley M. Weber, William Newbigging, Prairie Provinces Cost Study Commission Report of the Royal Commission on Consumer Problems and Inflation, 1966, published jointly by the provinces of Alberta, Manitoba, and Saskatchewan in 1968. The Commission was a far reaching look at consumer problems on the prairies. They forwarded recommendations on a wide variety of issues, such as, the need for more federal studies on inflation and consumer problems, the lack of data on prices and therefore the need for more federal statistical material, information on the impact of inflation on low income people, reduced tariffs, investigation of the retail grocery trade under the Combines Investigation Act, control of advertising, labelling, packaging, consumer credit, the strengthening of warranty regulations, the addition of a consumer to marketing boards, and the creation by the three governments of consumer "sections" in government, interpreted to mean departments. The Commission also issued three supporting studies, 1. Study of the Royal Commission on Consumer Problems and Inflation-Oligopoly in the Retail Grocery Trade, 2. Prairie Regional Development and Prosperity, and 3. Transportation on the Prairies.

[88]Minutes and Proceedings, July 17, 1967, p. 5.

[89]Minutes and Proceedings, January 15, 1968, p. 6.

[90]Minutes and Proceedings, July 10, 1968, pp. 13-14.

[91]Interview with Senator Steuart, Ottawa, June 23, 1981.

[92]Both Lougheed and Blakeney urged changes to the structure and role of the Prairie Economic Council when they spoke to the One Prairie Province Conference in 1970. They urged a strengthening of the Secretariat and the creation of independent bureaucracies for Council activities. See Elton, pp. 397-405.

# CHAPTER SIX

## THE REGION AND THE FEDERATION

The relative disinclination of the Prairie Premiers to consider their organization as a legitimate vehicle for aggregating regional issues and political power is largely unexplained. Interviews with the remaining "founding fathers" produced no explanation other than those given publicly by the Premiers in 1965.[1] Those assertions are supported by the first communiques, and the lack of enthusiasm for discussion of federal-provincial questions. As well, it should be noted again that the Premiers obviously thought federal-provincial questions more effectively discussed in the comparatively new and seemingly powerful forum of the Annual Premiers' Conference. Only later did they recognize that a discrete set of regionally important federal-provincial issues could, and should, be dealt with in some regional forum.

Thus, the most interesting development during the eight year history of the Prairie Economic Council was the metamorphosis of the organization from one dealing almost exclusively with intra-regional issues

to one primarily oriented toward extra-regional concerns.

Several important questions are prompted by this observation. First, why did the focus of the organization change and what seemed to bring about the change? Second, what extra-regional issues were discussed, and how did they change during the eight years? Finally, what was the impact on the Prairie Economic Council, of the change in the focus to the organization?

Herr von Clausewitz' famous maxim that "war is nothing but a continuation of political intercourse with an admixture of other things"[2] places the relationship of governments in a particular context. That context is one of competition and conflict, winners and losers. Competition for power, economic reward, prestige, or any of a number of other goals will inevitably lead to conflict; the organized conflict of a state political system, or the less structured political conflict of the international system. This competition often shrouds the potential benefits of co-operation, and ignores the interdependence of states. It envisages the world as a continuing series of zero-sum games.[3]

This model of thought was applied most successfully and forcefully by Richard Simeon in his excellent analysis of federal-provincial interaction in Canada.[4] In a sweeping attempt to examine and understand a series of substantial federal-provincial negotiations, Simeon

documented the negotiations themselves, and examined the processes involved, in order to draw some comparisons and conclusions about these negotiations in a federal state. In the final analysis, he did not hesitage to use the term "diplomacy" when talking about federal-provincial negotiations.[5]

If federal-provincial relations can be characterized by the term diplomacy, it is likely that at least some of the competition and conflict associated with the international system will also be found. An "alliance" of provinces, in a regional organization, is therefore not inconceivable. This dimension of regional organizations was not entirely clear at the time Professor Simeon did his study. It was a part, albeit a small one, ignored by scholars of Canadian federalism who search for the well-springs of federal-provincial interaction.

Later studies have paid some attention to this facet, although it must be observed, only in passing:

> . . . Smaller regional gatherings such as the Western Premiers' Conference and the Council of Maritime Premiers are more concerned with inter-provincial cooperation, although even there constitutional interaction with the federal government tends to dominate the agenda.
>
> We can conclude with Black (1975:100) that 'interprovincial cooperation has not been the norm for relations between governments in Canada.' Certainly, compared to American interstate relations, interprovincial relations and interprovincial cooperation are underdeveloped (Leach, 1959:84).

> The difference may be attributable to the larger size and smaller number of Canadian provinces. The size of many provinces has meant that they do not share drainage basins, harbors, or common economic problems with other provinces. The larger provinces, particularly Quebec and Ontario, have not had to rely on interprovincial alliances to exert national political influence. The goal of strength in numbers has been pursued more by the smaller provinces, an example being the annual meeting of the four western premiers.[6]

We are reminded in particular at this point of the assertions by those putting forward hypotheses on province-building that there will be increased attention to questions of jurisdiction during this time. The involvement of the Prairie Economic Council in aggregating opinion and power for the whole region would not therefore, be a surprising result.

As noted several times, the Prairie Economic Council was not intended to be an organization that dealt with the federal-provincial issues from the provinces involved. In the context of the time, such an attitude was entirely appropriate. The Annual Premiers' Conference was the organization that talked about "domestic" issues,[7] and until 1967 there was a gentlemen's agreement not to "gang up" on the federal government.[8] The sophisticated bargaining techniques used in the 1970's, involving the shock troops of departments of intergovernmental affairs, and linkage of issues, had yet to be developed.

That the Prairie Economic Council was not conceived as an organization dedicated to comment on national issues, is therefore not surprising. That it changed over the eight years into an organization that did address national issues is also not surprising. As noted in Chapter Four, the period 1965-1973 was one of furious federal-provincial activity on a number of fronts, including most dramatically the discussions on the constitution leading to the Victoria Conference of 1971. That the prairie Premiers should eventually use the Prairie Economic Council to discuss these issues is understandable. One only wonders why it took so long.

A breakdown of issues by internal and external orientation is shown in Table II. An extra-regional issue is defined as one which involves interaction with a government outside of the region, or on which comment by the Prairie Economic Council was directed at an issue which involved another government, usually the federal government.

The figures in Table II confirm two important things. First, the overall trend was from intra-regional to extra-regional issues. It was not an uninterrupted progression, but while extra-regional issues total only 37 per cent of those

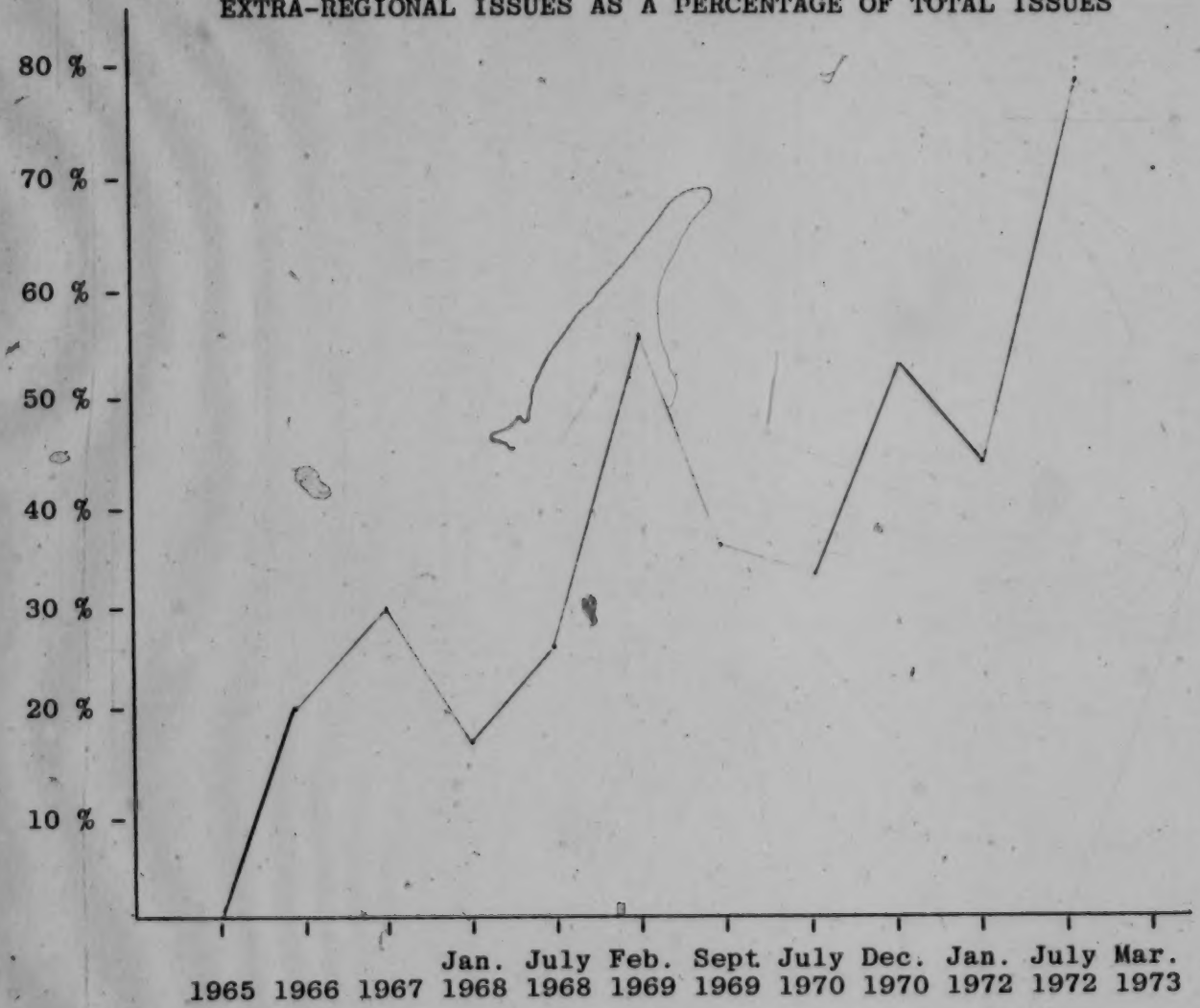
TABLE II

EXTRA-REGIONAL ISSUES

| | INTRA-REGIONAL ISSUES | | EXTRA-REGIONAL ISSUES | | TOTALS |
|---|---|---|---|---|---|
| 1965 | 12 | (100%) | 0 | | 12 |
| 1966 | 18 | ( 80%) | 5 | (20%) | 23 |
| 1967 | 13 | ( 70%) | 6 | (30%) | 19 |
| January 1968 | 17 | ( 82%) | 4 | (18%) | 21 |
| July 1968 | 16 | ( 73%) | 6 | (27%) | 22 |
| February 1969 | 6 | ( 43%) | 8 | (57%) | 14 |
| September 1969 | 12 | ( 63%) | 7 | (37%) | 19 |
| July 1970 | 10 | ( 67%) | 6 | (33%) | 16 |
| December 1970 | 7 | ( 47%) | 9 | (53%) | 16 |
| January 1972 | 6 | ( 55%) | 5 | (45%) | 11 |
| July 1972 | 3 | ( 22%) | 11 | (78%) | 14 |
| March 1973 | 4 | ( 29%) | 10 | (71%) | 14 |
| TOTALS | 124 | ( 63%) | 77 | (37%) | 201 |

GRAPH I

EXTRA-REGIONAL ISSUES AS A PERCENTAGE OF TOTAL ISSUES



dealt with by the Prairie Economic Council during the period 1965-1973, only one time after February, 1969 (the 6th meeting) did the number of extra-regional issues fall below that figure. Second, the trend toward extra-regional issues began before changes in government in Alberta and Saskatchewan, both of which occurred in 1971

Though important in themselves, these general trends do not tell the complete story. Under examination and further classification the items dealt with by the Prairie Economic Council reveal further important observations. For example, extra-regional issues seem to fall into three general categories. Roughly these are, items of high regional interest, items of national provincial interest and items of national federal policy. Items in category one tended to be items of high regional impact, like freight rates, west coast ports, Trans-Canada Pipelines, and others. Items in category two involved all of the provinces, not just those on the prairies. They include such things as the Carter Commission on taxation, estate taxes, and constitutional matters. By contrast, items in category three are items of federal policy, which may or may not have particular regional interest. Examples are, unemployment, interest rates, foreign takeover legislation, and offshore mineral rights.

These distinctions are important.

These categories demonstrate the trend of the Prairie Economic Council in terms of its relationship with the federal government. For example, one finds items only in category one or two until September of 1969 when the Prairie Economic Council decided to look at national policy on interest rates. Despite this, it was not until 1972 that the Prairie Economic Council was perceived as a proper forum to discuss national policies on unemployment and offshore mineral rights. The latter was hardly an item of great interest on the prairies. Examination of some specific examples provides a more detailed picture of these divisions.

Two items that stand out in category one are freight rates and west coast ports, items impacting heavily on the prairie region.

Freight rates for oil seeds and other products, rail line abandonment, and general rail transportation items remained on each agenda after 1967. Much of the discussion was predictable, given the need for rail transport in land locked Alberta and Saskatchewan. The whole transportation question was also a major one for the Western Economic Opportunities Conference of July 1973.[9]

While the issue was of great regional significance, it was not one which the Prairie Economic Council

could significantly affect without the co-operation of the federal government. Federal responsibility for rail transportation reduced the Prairie Economic Council role to that of a pressure group. This is reflected in the manner in which the item was dealt with. The normal action was to petition the federal government, or pool information on the issue. The former action was taken by the Prairie Economic Council after the meetings of June 22, 1967, July 30, 1970, December 18, 1970, and July 26, 1972. In each case, the Prairie Economic Council directed its communication to the federal government.[10]

At the July 10, 1968 meeting, Premier Manning raised what was to become a continuing important issue on the prairies, the issue of west coast ports. It should be noted that the ports of Churchill and Prince Rupert had both been the subject of Prairie Economic Council discussion and would be again in the future. However, Mr. Manning raised the issue in this instance because of a proposed development on Roberts Bank, near Vancouver. The development was to be under British Columbia control, a development which did not meet with Mr. Manning's approval. He, together with his two colleagues, preferred that ports on the west coast remain under federal, rather than British Columbia control. It was decided that the Prairie Economic

Council should make a joint submission to the federal government on all port facilities important to western Canada.[11]

The subject arose again at the meeting of February, 1969 when the three Premiers sent the following joint letter to the Prime Minister:

> In view of the problems arising from the movement of grain from the prairies at this time, the Prairie Economic Council proposes the following constructive steps be taken immediately by the federal government.
>
> 1. In order to meet the present emergency, the appointment of a federal transport controller with full authority to allocate box cars on a priority basis or implement other necessary measures to ensure that wheat sales for west coast delivery can be met, and to prevent any further loss of wheat sales through west coast ports.
>
> 2. In order to find solutions to the recurring problem of grain movement, the establishment of a full-scale investigation into the most efficient means of moving prairie grain to world markets.[12]

The issue was raised again at the September 29, 1969 meeting with the Premiers describing the item on the agenda as part of an "agricultural crisis".[13]

These items were always given complete discussion. Agriculture was the economic base of the region. Freight rates, port facilities and agricultural sales were issues that prairie Premiers had been addressing for decades. In fact, it is mildly surprising that they were not regular items of discussion at the initial meeting. It indicates the strength of the Premiers' feeling about

keeping the Prairie Economic Council a strictly intra-regional institution.

The Carter Commission on Taxation and the Constitutional Conferences of 1968-1970 provide two representative items from category two. The former is a clear example of co-operation in the Prairie Economic Council. The Royal Commission on Taxation, or the Carter Commission as it was commonly known, was commissioned in 1963. It brought down its report in 1966. That report touched off years of discussion, culminating in the White Paper on Taxation in 1969, and the tax reform bill of 1971.[14]

There were substantial federal-provincial ramifications in the Carter Commission proposals, most of them bad in the view of Premier Ross Thatcher. In fact, he described it as the most damnable proposal he had ever seen.[15] In the course of a long debate on the Carter Report at the 1967 meeting, he, along with the other two Premiers, identified a number of concerns.[16] There was particular attention to proposals on estate taxes, oil and mining depletion allowances, centralization of power over fiscal and monetary operations in the hands of the federal Department of Finance, and the impact on provincial revenues and equalization payments.[17] As a result, the Premiers sent a telegram to the Prime Minister expressing their "grave concern at the apparent

haste with which the federal government proposes to implement the recommendations of the Carter Royal Commission on Taxation. . . . " The Premiers asked for a postponement.[18]

The provinces co-operated closely on presentations to the federal government, exchanging information and ensuring co-ordination.[19] The federal-provincial trench warfare that resulted from the proposals, and the changes that the provinces secured, are well documented elsewhere.[20] In this particular case, the Prairie Economic Council was united in its opposition, primarily because of the heavy impact of the estate proposals on farms, and the depletion changes on mineral exploration. However, it was a good example of co-operation on a major national policy change.

A second item of national scope for which the Prairie Economic Council was used to articulate a regional view was the subject of constitutional discussions between 1968 and 1971. It was first raised as an agenda item in 1969. Premier Thatcher, the most vigorous opponent of federal proposals in this area, led off the discussion. The three governments finally concluded:

> The three prairie governments should take, wherever possible, a common position at the Constitutional Conference on the importance of having taxation and finance dealt with as a priority item. This was not to be a 'ganging up' approach but rather the

> three Premiers simply fulfilling their responsibility to represent the views and concerns of the citizens of the prairie region at the Constitutional Conference.[21]

At the conclusion of the meeting, the following telegram was sent:

> At the Prairie Economic Council meeting today we agreed that first priority at the forthcoming Constitutional Conference should be consideration of urgent financial questions involving provinces and federal government.
>
> This priority is not recognized in your most recent tentative agenda for the conference. We are convinced that the most pressing problem in confederation today and in the immediate future remains the ability of provincial governments to discharge their constitutional responsibilities under limited financial resources now available to them.
>
> We will therefore press for the adoption of an agenda which gives top priority to resolving fiscal relations under existing Canadian constitution.[22]

The members of the Prairie Economic Council were determined to take joint action, though remaining sensitive to "ganging up". They adopted this position during the February 1969 conference, and articulated it with some vigour.[23]

The constitution did not again arise as a formal item on the agenda of the Prairie Economic Council, perhaps because of Premier Thatcher's observation that it was considerably down the list of priorities,[24] but also because there was little reason for it to be on the formal agenda. Officials and ministers were in constant contact with each other, at times on a daily basis,

obviating the need for it to be a formal agenda item. As well, there were some differences in opinion on items, like language rights, where Saskatchewan and Alberta were closer to the position of British Columbia than Manitoba, which generally supported the federal position.[25]

These two items, tax reform and the constitution, illustrate the change in the role of the Prairie Economic Council mid-way through its existence. As with issues like freight rates and ports, which impacted particularly on the prairies, discussion and adoption of a regional position on these items was not a difficult step for the Prairie Economic Council members. In part, the timing of the issues made their discussion easy, but the trend was already there. The Prairie Economic Council was a convenient mechanism for aggregating regional opinion on national issues, in this case, issues that directly impacted on provincial jurisdiction and powers.

It was not a large step therefore for the Prairie Economic Council to become a mechanism for comment on a wide range of federal government policies. This began to occur after 1969, and was most forceful in 1972 and 1973 just prior to Western Economic Opportunities Conference. Two examples of these kinds of general issues were unemployment, and federal legislation on foreign takeovers.

In the case of unemployment, the Premiers had a long discussion about the federal government's programmes on winter works and counter-cyclical activity.[26] Provincial governments were obviously worried about unemployment in their own provinces but two things set the item apart from earlier Prairie Economic Council topics and discussions. First, the level of discussion was quite high. All of the participants were conversant with the impact of certain kinds of economic policies, conversant in the national as well as regional impact. Second, they were content to discuss and recommend a unified position on a completely federal policy, one which had some co-ordinative aspects for the provinces, but which was completely under federal jurisdiction. Clearly, the old policy regarding "ganging up on the feds" had decreased in importance as a consideration. On the contrary, there was a concerted effort to downplay internal differences in order to secure a regional stand on the issue.

This was also true in regard to the second item, Federal legislation on foreign takeovers. On this issue, the two New Democratic Party governments of Saskatchewan and Manitoba had a substantially different view from that of the Progressive Conservative government in Alberta. However, the discussion of the proposed federal bill concentrated on the federal-provincial consultation

process, something that all could agree on, instead of the desirability of the particular policy involved.[27]

In answer to a question from Premier Lougheed, Premier Blakeney replied:

> We haven't any serious concerns about the federal legislation. We would certainly like to see the federal government approach to this bill and bills like it changed. We would like to think that there would be some effective consultation at least on decisions regarding takeovers which will affect our province. I don't know whether this type of consultation has been that effective in the past, but certainly we would like to press for it. We would certainly like to press the federal government for a commitment to consult but also a relatively prearranged mechanism for consultation so that we can find out what decisions are being made on take-overs. We would wish some opportunity to make representations, based on facts, before these decisions are made.[28]

Two things are interesting about this item. First, the provincial governments obviously perceived their role to extend beyond what the formal powers of a province would indicate. In this case, they perceived themselves as, in general terms, the guardians of the economic interests of their province. This is not exceptionally different from the past, except to the extent which a provincial government conceived its role as the final judge of economic well-being of that particular province. Second, flowing from the perception outlined in the first point, the three governments saw nothing wrong with commenting on a proposed federal policy which was completely within the federal jurisdiction.

Indeed, all three governments evidenced a feeling that there should be an established federal-provincial consultative mechanism to ensure a role for the provincial governments. It should be emphasized again that this was not a sharp break from past practice, only an intensification that was very much in line with the then current trend of federal-provincial relations.

The three categories are useful in illustrating the accelerating pace and type of extra-regional involvement by the Prairie Economic Council. The governments moved quickly from using the Prairie Economic Council to comment on federal policies that were regional-specific, to federal policies that were general in nature but with regional impact. In some cases, like offshore resources, the Prairie Economic Council commented on issues of almost no regional concern.

The change in emphasis from intra-regional to extra-regional issues is explained in part by the changing role of provincial governments, and by specific issues of the day. As early as 1966 the Manitoba government recognized the advantages involved from aggregating the power of the region on national issues:

> Some of the obvious advantages which might be attributed to such a union (of the prairie provinces) would be a strengthening of the regional voice in national decisions.[29]

While the author was speaking to prairie union,

it is obvious that his comments apply in large measure to aggregations less formal than political union. The Premiers recognized this as early as the 1966 meeting. The specific issues have been examined by category above.

The review of the Council's role and structure in 1970, produced no statement on the changing role of the organization. The report of the Minister, Russ Patrick, is not available, but the personal notes of Premier Schreyer reveal no general recognization of the fact that the role of the Council had changed substantially between 1965 and 1970.

Changes in government in Alberta and Saskatchewan produced some acceleration of the already apparent move toward concentration on extra-regional questions. At the January 1972 meeting, while outlining the desirability of facilitating inter-provincial consultation and exchange of information, Premier Blakeney specifically included among the three functions of the Prairie Economic Council an extra-regional dimension:

> Premier Blakeney explained three broad areas where the provinces would benefit from joint approaches:
>
> a) Broader channels of communication to permit sharing of experiences.
>
> b) Development of common approaches to matters that have a clear regional context.
>
> c) Investigation of desirability (sic) and possibility of regional responses to federal program initiatives.[30]

As well, Alberta raised the possibility of expanding the Council to include British Columbia. Indeed, Alberta vigorously pursued this question, and it was agreed that Premier Lougheed would approach Premier Bennett of British Columbia about attending Prairie Economic Council meetings.[31] Premier Bennett declined the invitation, upholding a long standing British Columbia position on the status of British Columbia as a region.[32]

Alberta continued to push for western, as distinct from prairie, ministerial committees where possible. The emphasis of the government was on federal-provincial issues. The verbatim transcript from the July 26, 1972 meeting in Lloydminster, is instructive in the Alberta approach to the Council.[33] The linkages between Alberta's relationship with the Council and the political goals of the Alberta Conservatives have already been discussed. Those goals, insofar as the Prairie Economic Council was concerned, were clearly aimed at more emphasis on federal-provincial questions, including most importantly protection of provincial jurisdiction, and expansion of the Council to all four western provinces.

Two further events were needed to provide the catalyst that would transform the Prairie Economic Council, however. One was the defeat of the Bennett government in British Columbia and the election of

Dave Barrett as Premier. The second was the narrow parliamentary position of the Liberal Party after the election of October, 1972, caused in part by the rejection of the Liberals in most western provinces. This led to the announcement in early 1973 that the federal government would host a meeting with the four western Canadian provincial governments to discuss the economic future of the west. It eventually became known as the Western Economic Opportunities Conference.[34] The upshot was that Premier Barrett was invited to the March, 1973 meeting of the Council, with result that the Council was transformed into the Western Premiers Conference. Given the fact that the organization was formed to deal specifically with the federal government at the Western Economic Opportunities Conference, it is not surprising that the Western Premiers' Conference became an externally oriented organization. Alberta had achieved both political goals simultaneously. The Prairie Economic Council had been transformed into a new regional instrumentality.

The ultimate importance of that instrumentality is still unclear. Some authors have accorded it a high place, ranking it ahead of more traditional avenues of communication.[35] There is little doubt that the aggregation of regional opinion and political power in

an organization like the Prairie Economic Council or Western Premier's Conference is important, but there are important limitations to its usefulness. The difficulty in securing the "lowest common regional denominator" on issues tends often to produce regional stands of questionable value. On some issues such regional stands are impossible to achieve. As well, there are important limitations to the ability of the governments involved to secure action on any particular issue. The organization has no formal power on national issues, leaving it in the position of a political pressure group. Given the vagaries and results of the Canadian political system and distribution of party strength, such a position may or may not be advantageous. Finally, there are political limits to regional co-operation, given the various political parties in power in each of the provinces. Despite these qualifications, however, it is difficult to underestimate the importance of the growth of this dimension of the Council for Canada's federal system.

Several conclusions can be drawn from our examination of this dimension of the Prairie Economic Council. First, it is clear that the organization changed its focus considerably during its eight year lifetime. It began as an organization dedicated to

co-ordination of intra-regional concerns. It finished as an organization dedicated to developing and articulating a regional view on as many topics as possible. Second, the categories of extra-regional issues outlined indicate the stages of transition, from concern with traditional extra-regional issues of freight rates, ports, etc. to an unrestrained view of what issues might be appropriately discussed and dealt with by the organization. Third, the change in focus proceeded regardless of the incumbent government, although it should be noted that the trend seems to have been accelerated by the election of new governments in the three provinces. In short, the organization responded to internal, and external pressures for transformation. What had begun as an attempt to co-ordinate domestic policies ended up by co-ordinating foreign policies. This is significant for any conclusions about regional organizations and their functions, especially given the fact that most authors have concluded that such an extra-regional dimension is important.

This development is also important because of its relationship to province-building, and the proposed model for identifying and analyzing trends in region-building. Two further important general observations should be made, both of which can be examined in detail later. First, there is little doubt that much of the

change in direction from intra-regional to extra-regional orientation resulted from increasing centrifugal pressures built up within the federation by the province-building activities of the western provinces. Thus, it is necessary to understand that region-building, in the context of extra-regional issues, must be carefully examined for its connections to province-building.

Second, the move from stressing intra-regional issues to extra-regional issues reduced the region-building potential of the organization. Most authors on regional integration agree that an intra-regionally focussed organization produces more political integration than one which is extra-regionally oriented.[36] Nevertheless, the development of the external dimension of the Prairie Economic Council is an important development for the organization. Obviously the region-building potential of the Council would have been significantly reduced without this dimension.

## CHAPTER SIX

## FOOTNOTES

[1]Interviews, op. cit.

[2]Norman J. Padelford and George A. Lincoln, editors, The Dynamics of International Politics, second edition, (New York: The Macmillan Company, 1967), p. 386.

[3]Roger D. Masters, "World Politics as a Primitive Political system," in International Politics and Foreign Policy, James N. Rosenau, editor, (New York: The Free Press, 1969), p. 104.

[4]See Simeon, Chapter Four.

[5]Ibid., p. 313.

[6]Roger Gibbins, Regionalism: Territorial Politics in Canada and the United States, (Toronto: Butterworths, 1982), pp. 93, 94.

[7]J. H. Aitchison, "Interprovincial Cooperation in Canada," in The Political Process of Canada, J. H. Aitchison, editor, (Toronto: University of Toronto Press, 1963), p. 155.

[8]Simeon, see the chapter on Strategies and Tactics.

[9]Minutes and Proceedings, 1968-1973.

[10]Minutes and Proceedings, 1967-1972.

[11]Minutes and Proceedings, July 10, 1968, pp. 18-20.

[12]Minutes and Proceedings, February 1, 1969, p. 5.

[13]Minutes and Proceedings, September 29, 1969, p. 1.

[14]J. L. Stuart et al., editors, Analysis of the White Paper on Tax Reform, (Garamond Court, Don Mills, Ontario: CCH Canadian Limited, 1970).

[15]David E. Smith, "Western Politics and National Unity," Canada and the Burden of Unity, David Jay Bercuson, editor, (Toronto: The Macmillan Company of Canada Limited, 1977), p. 149.

[16]Minutes and Proceedings, July 10, 1967, pp. 7-12.

[17]Ibid.

[18]Ibid., p. 11.

[19]Minutes and Proceedings, January 18, 1968.

[20]Smiley, second edition, pp. 142-143. He emphasizes that the provinces were able to secure changes on resource taxes especially.

[21]Minutes and Proceedings, February 1, 1969, p. 2.

[22]Ibid.

[23]Simeon, p. 105.

[24]Confederation of Tomorrow Conference, Proceedings, (Toronto: 1967), p. 149.

[25]Simeon, pp. 106-123.

[26]Minutes and Proceedings, July 26, 1972, pp. 43-47.

[27]Ibid., pp. 61-63.

[28]Ibid., p. 61.

[29]Lance Partridge, "Prairie Economic Council Study of Prairie Union," August 19, 1966, Government of Manitoba.

[30]Minutes, January 13, 1972, p. 7.

[31]Ibid.

[32]Minutes, July 26, 1972, p. 67. See also Dore and Westmacott in Meekison, third edition, p. 346.

[33]See Minutes, July 26, 1972.

[34]Dore and Westmacott, p. 346.

[35]Ibid., p. 344-346.

## CHAPTER SEVEN

## THE PRAIRIE ECONOMIC COUNCIL
## SUCCESS OR FAILURE?

The success or failure of any political structure depends in part on assumptions about its original goals. Political structures are erected to facilitate human interaction, to legitimate social contact, or to further collective goals. Often, however, while political structures fail miserably in their appointed goals, they are successful in ways not contemplated by the original architects. Certainly that has been the case with the Canadian political system, at least the post-1867 variety. In assessing the value, or usefulness, of the Prairie Economic Council therefore, one must consider both the original goals, set out quite explicitly by the founders of the organization, and the resulting accomplishments, some of which were not contemplated in 1965.

It is clear from our examination of the Council minutes that the organization did not accomplish all of the goals advanced by the three Premiers in 1965, and certainly did not meet the expectations of Premier Roblin

of Manitoba, as described in the correspondence related to his first proposal.

It was an ambitious project that Premier Roblin originally proposed, nothing less than the acceptance of the region as the base unit for a large number of economic and social activities. The specific aims that he articulated in his letter of January 15, 1959 to the other Premiers were sweeping in character:

- promoting regional consciousness and co-operation and the joint study of factors affecting the economic development of the Prairie Provinces;
- expanding the use of Western Canada's industrial, agricultural, recreational and human resources;
- facilitating the co-operation of business interests and governmental agencies in furthering the region's economic growth;
- increasing national consciousness of Western Canada's economic significance, achievements and opportunities.[1]

In other words, Premier Roblin wanted an organization that could integrate substantial portions of prairie economic and social activity, to the benefit of all. To say that those goals were ambitious is to understate the obvious.

The goals eventually adopted by the Council were more modest, but still sweeping in scope. Gone were the statements about promoting regional consciousness, and common action, and in their place were the words:

> To provide for a regular exchange of views on such matters of common interest leading to a more rational and productive use of the Provinces' resources, both human and natural.[2]

In short, the Council was to be largely a consultative mechanism, one which would permit the participants to bring about uniformity, by individual or common action, where necessary. There was no expectation on the part of the Premiers that they had begun a process which would eventually lead to regional government in the area.

Measured against these expectations, the Prairie Economic Council must be judged as only partially successful. While the Council certainly provided for a regular exchange of views, very often it avoided actions which would have initiated substantial regional planning. The opportunities for such action consistently presented themselves, but the Council members chose in the main not to accept the challenge.

This was most evident in the area of economic planning and co-ordination, supposedly fundamental to the need for a regional organization. Proposals for regional industrial development,[3] co-operation on resource development,[4] tourism,[5] regulation of financial institutions,[6] agricultural marketing,[7] crop insurance,[8] proposals for industrial and economic rationalization,[9] and inter-provincial co-operation on marketing agricultural goods,[10] were discussed regularly by the Council. In most areas only modest co-operation was achieved. The goal of substantial economic co-operation

was one which the Premiers were simply unable or unwilling to achieve. This should probably not surprise us, given the differences in economic development noted in Chapter Three.

The success ratio was somewhat higher with social and political issues. The Council was successful in achieving some co-ordination and co-operation in areas like university rationalization, the streamlining of procedures with regard to Highway Traffic Board procedures, and government purchasing and tendering policies.[11] But the expected rationalization of human resources outlined in the original goals, simply did not materialize in any general way.

From the beginning, regional policy making was one of the implicit goals. Sprinkled throughout the minutes of the Council are numerous statements by all Premiers about the desirability of regionally aligning policy decisions by member governments. This was most evident when the Council members attempted to co-operate on issues like medical fee schedules, civil service salaries, and budgetary matters. In these areas, the Council could boast of the harmonization of a number of provincial policies, but the harmonization seems to have been minimal, with only limited attempts at adopting firm joint policies. Often, as noted in the Treasurer's Minutes of 1968, agreements were to share

information, and harmonize policy if possible, not to undertake joint actions.[12]

As a general conclusion, it is fair to say that there was more policy harmonization among the three provinces than there would have been had the Prairie Economic Council never existed, but less than the Premiers anticipated.

Although the Council participants did not originally state that the establishment of regional institutions was one of the goals of the Prairie Economic Council, it soon became obvious that continuing mechanisms of contact were necessary. Thus, a number of informal and semi-formal mechanisms were adopted. Annual meetings of provincial Treasurers were started in 1968, and continued during the existence of the Prairie Economic Council, as well as its successor, the Western Premier's Conference. The same is true of Inter-provincial Committee on University Rationalization, the meetings of the Ministers of Highways, and several other committees. These mechanisms were made necessary by demand of the Prairie Economic Council that government officials or ministers meet between Council meetings to undertake the specific tasks ordered by the Council.

Some of these committees, particularly the Inter-provincial Committee on University Rationalization, were quite formal and bordered on becoming regional

institutions. They were legitimized by resolution of the Prairie Economic Council, but none of them could claim the formality or persistence of the Council itself. In short, they failed to become as "institutionalized" as the Council had. Opportunities to do so presented themselves regularly. For example, in 1967, Premier Manning proposed that a regional Highway Traffic Board be created.[14] Had the provinces done so, they would have had to pass identical legislation or Orders in Council empowering the regional board to undertake its duties. They would have created, in short, a regional institution of government.[15]

Before considering some of the successes of the Prairie Economic Council, one final observation needs to be made. It is clear that the Premiers as a group did not perceive the Prairie Economic Council as a first step toward political integration of the prairie region. While that goal was not explicitly rejected in the original communiques of 1965, neither was it included as one of the ultimate aims. As noted in Chapter Five, the issue of prairie unification surfaced occasionally over the years in articles or speeches and in 1970, at the University of Lethbridge "One Prairie Province Conference". Several prominent political figures from the prairies addressed the conference, including Premier Strom of Alberta, and the future Premiers of Saskatchewan

and Alberta, Allan Blakeney and Peter Lougheed.[16]

The report of Premier Strom to the Prairie Economic Council at its meeting of July 30, 1970 has already been quoted. Alberta's resistance was perhaps understandable. But Premier Roblin of Manitoba had looked favourably on an economic union of the prairies. As also previously noted, between the 1965 and 1966 meeting of the Council, Premier Roblin ordered a study undertaken on the implications of prairie union. That study was completed, and as noted in Chapter Five a summary proposed for the Manitoba Cabinet.[17] The key element of the document bears repeating:

> A principal reason for the formation of the Prairie Economic Council was a recognition by the three governments involved that many of the problems of development in the region had aspects of mutual concern to the three provinces. Furthermore, the Prairie Council reflected a growing recognition that the balanced development of the Canadian economy required a regional approach.
>
> It follows logically from this background that consideration should be given to the matter of further integration of the regional developmental effort where this would serve the best interests of the provinces comprising the region and would as well support the national interest. I, therefore, propose that Manitoba should introduce for discussion in the Prairie Economic Council the setting up of a sub-committee of the Council to examine the pros and cons of Prairie union.[18]

The proposal was apparently never given Cabinet approval, and never brought before the Prairie Economic Council in 1966.

It is significant that such proposals for

unification were still being considered seriously in 1966 and 1970. There is no evidence, or at least very little evidence, however, to support an hypothesis that there was a growing desire for political union on the prairies. More particularly for this study, it is important to note that the Prairie Economic Council was not considered to be an instrument of political integration in the prairie region by the Premiers. While a number of political, economic and social functions were being "harmonized", by the Prairie Economic Council, there is simply no support in the documents for the assertion that anyone other than Premier Roblin thought of the Prairie Economic Council as a "halfway house" to political union.

Measured in terms of its proposed intra-regional goals, one is forced to conclude that the Prairie Economic Council was only partially successful. While it did provide for a regular exchange of views among Council members, and a certain amount of policy co-operation and harmonization, it did not lead generally to a more co-ordinated use of the human and natural resources of the region. However, measuring an organization's effectiveness solely against the expectations of the founders is often misleading and unfair.

It has already been noted that the Council did

achieve a degree of policy and programme co-operation, and that there was evidence that a willingness to do more was present. One should not underestimate the importance of simply providing a regional forum for decision-makers. The Premiers and their Ministers always had the knowledge that they could raise issues and discuss problems, in a regular way, with their colleagues on the prairies. They did not have to call special meetings as issues developed. The atmosphere of co-operation and consultation was permanently institutionalized, something that allowed the members to go directly to each other and the issues, without having to establish the right or desire of co-operation on each individual issue. In promoting an atmosphere of openness, co-operation, and even trust, the Prairie Economic Council was singularly successful.

However, in the final analysis it is the fact that the Prairie Economic Council served as a focal point for regional reaction to federal-provincial issues affecting the region that is most important. This highly important facet of the organization was not even mentioned in the original objectives, but it proved ultimately to be an important function of the organization. The most dramatic proof of this statement is found in the preparation undertaken by the organization in 1973, for the Western Economic Opportunities Conference of that

year. As an articulator of regional concerns to the nation as a whole, the Prairie Economic Council must be judged a success.

The attention to issues like rail transportation, federal agricultural policy, national taxation questions, unemployment, the constitution, and dozens of other federal/provincial matters, ultimately transformed the organization. As noted in Chapter Six that transformation came gradually, and in conjunction with changes in the federal system and the provincial governments. In retrospect, however, it is understandable, given the history of the region, and the growing importance of some natural resources, that the organization would increasingly become a focus for regional action on federal-provincial matters. To do otherwise would, in one sense, defy the history of the region.

If the accomplishments of the Prairie Economic Council are examined separately from the original goals, those accomplishments become more impressive. As a regional consultative mechanism, one which was able to provide both consultation and in some areas harmonization of policy, the Prairie Economic Council was a valuable tool for provincial governments in Western Canada. When one adds to that function the ability of the Prairie Economic Council to aggregate and articulate regional stands on important federal-provincial issues, the

importance of the organization becomes more apparent.

While the latter function gained in importance in the Prairie Economic Council, and its successor the Western Premiers Conference, the goals of regional policy discussion and harmonization were not entirely forgotten. They endured because the economic and social problems and goals involved, remained, despite changes in the leadership of the provinces. The eventual change of the Prairie Economic Council from a prairie organization to a western one had its immediate cause in the drive by Alberta to create a western region, to differentiate itself from the other prairie provinces, but the Prairie Economic Council would undoubtedly have continued to change without the push of the new government in Alberta. The shift by the Prairie Economic Council toward aggregating and articulating regional grievances virtually ensured that British Columbia would eventually become involved. As Premier Blakeney said at the July 1972 meeting of the Prairie Economic Council:

> I think that the three prairie provinces have sort of co-opted the name 'western' anyway.[19]

## CHAPTER SEVEN

## FOOTNOTES

[1]Roblin letter, see Chapter Three.

[2]Burns note, see Chapter Three.

[3]Minutes and Proceedings, October 14, 1965, agenda.

[4]Minutes and Proceedings, September 6, 1966, agenda.

[5]Minutes and Proceedings, June 22, 1967, agenda.

[6]Minutes and Proceedings, January 18, 1968, agenda.

[7]Minutes and Proceedings, July 10, 1968, agenda.

[8]Minutes and Proceedings, July 30, 1970, agenda.

[9]Minutes and Proceedings, January 13, 1972, agenda.

[10]Minutes and Proceedings, June 26, 1972, agenda.

[11]Minutes and Proceedings, 1965-1968. See especially July 10, 1968 and December 18, 1970, p. 5

[12]Minutes and Proceedings, 1965-1970.

[13]Provincial Treasurer's Minutes, July 8, 1968. See especially the Recommendations to the Premiers.

[14]Minutes and Proceedings, June 22, 1967.

[15]The provinces did set up the Batten Commission by identical Orders-In-Council, but this was not an ongoing institution.

[16]See Chapter Five. Both Blakeney and Lougheed proposed to strengthen the Prairie Economic Council by adding to its planning responsibilities and in Lougheed's case, by adding a permanent Secretariat, something that still does not exist in the Western Premiers Conference.

[17]Background Paper. Proposal that the Prairie Economic Council establish a sub-committee to examine the advantages and disadvantages of a possible union of the three prairie provinces, August 19, 1966. It should be noted that no politican publically supported the idea of prairie union. This was most evident at the One Prairie Province Conference in 1970.

[18]Ibid.

[19]Minutes and Proceedings, July 26, 1972, p. 67. It should also be noted that not all of the major regional spinoff institutions were associated with, or resulted from the Prairie Economic Council. For example, the Canada West Foundation was a direct result of the discussions and activity between political leaders like Duff Roblin and the business community. Roblin is still active in the Canada West Foundation, an organization directed toward establishing regional goals, planning, and the articulation of regional positions on important issues.

# CHAPTER EIGHT

## CONCLUSIONS

In the Introduction to this study the hypothesis asserted that the Prairie Economic Council provided evidence of increased regionalism at the elite level during the period 1965 to 1973. In Chapter One a model designed to evaluate the strength of such increased regionalism, or region-building as it was termed, was outlined. Chapters Two through Seven have provided the data needed to draw conclusions using the model.

In one sense the task of drawing conclusions is quite simple. By careful evaluation of the Minutes of the Council, supporting documents, and the interviews, and application of the model, we should be able to comment on the main hypotheses. However, as with many case studies, the results are mixed, and require some interpretation. The model proposed in Chapter One sought to establish the importance of region-building at the elite level along four dimensions.

1. The extent of political institutionalization at the regional level.
2. The development of regional bureaucratic elites.

3. The intra-regional or extra-regional orientation of the organization.

4. The perception of the political actors about the role of the regional organization and about regionalism in general.

It remains for us to organize the data according to the model and to draw conclusions from that application. Accordingly, what follows is an examination of the Council, using the four categories of the model. In each category we will review the appropriate tests suggested in Chapter One.

## Political Institutionalization

Dimension One of the model proposed that the extent of region-building involved with an organization like the Prairie Economic Council can be determined in part by the degree of political institutionalization which develops at the regional level. The Council was itself an institution, and therefore evidence of institutionalization, but it was stated in Chapter One that it was not sufficient to simply state such a conclusion, since this begged the question of its importance. Five tests, suggested by the literature, were proposed to aid in assessing the importance of the Council and any sub-unit institutionalization generated by the Council. It was not suggested that such institutions needed legal or constitutional sanction. While that would simplify the task for the researcher, an analysis need not restrict itself to political structures with a

legal base. No one would dispute seriously the importance of federal-provincial and First Ministers' Conferences in the Canadian political system, despite their lack of even the simplest shred of constitutional dignity. To this extent, therefore, one may argue forcefully that political arrangements lacking constitutional attachment to either of the two orders of government in our federal system, or for that matter the legal envelope of legislation at either level, may still have profound impacts on social and economic trends in the community. The reciprocal impacts of political, social and economic variables are not bounded by legalisms scratched on pieces of paper.

This approach allows us, in the writer's opinion, the most generous attitude toward examination of the first dimension of the model, the extent to which there was increased regional institutionalization on the prairies during the period 1965-1973. Generosity in this case should not be interpreted to mean an attempt at ex post facto analysis, or a lack of rigour, but rather should be interpreted as an attempt to fully explore the possible parameters of regionalism.

The evidence that there was some regional institutionalization is obviously present. The Council itself provides us with a prima facie case for a positive response to the first dimension demanded by the model. However, as suggested, one should look beyond the simple

existence of structures and answer some further questions about the importance of such structures. In particular we now recall the categories suggested in Chapter One when seeking to assess the importance of such institutions.

First, we agreed with Schwartz that the importance of the political actors involved was a key indicator of the potential for region-building.[1] The more important the actor, the more important the regional organization. In this case the organization is composed of the most senior political actors in the region, the Premiers of the provinces involved. In addition, as noted in Chapters Five and Six, other senior political actors regularly attended Council meetings or committees formed at the request of the Council.[2] In terms of actor importance the Prairie Economic Council must rank very high.

A second critical method of assessing the importance of the organization relates to the scope and importance of issues brought before the Council. As noted in Chapter One, multi-functional organizations are usually ranked higher than uni-functional organizations in their ability to generate regional integration. The argument that more region-building is likely to occur from a multi-functional regional organization was also accepted.[3] The Prairie Economic Council was obviously a multi-functional regional organization. Its agenda matters covered a wide variety

of subjects. It was not a single purpose, or uni-functional organization. As such, it had the potential to become an important regional organization.

Not only was the organization multi-functional, it cannot be substantiated, as suggested by Gibbins,[4] that the items brought to the Council agenda were trivial. Our examination of such matters in Chapters Five and Six revealed that the Council dealt with a large number of important issues. This was especially true of extra-regional matters, where as early as 1967 the Council was successful in aggregating opinion on issues like freight rates, national farm policy, and national taxation issues.[5] Important attempts were also made to establish common regional policy positions on intra-regional matters. The results of these efforts are outlined in Chapter Five and commented on again below. Although a number of more technical questions were discussed at the early meetings of the Council, such items soon disappeared from the agendas. It is fair to conclude that the importance of items which appeared on the Council agenda increased after the initial meetings of 1965 and 1966.[6]

A third crucial measurement of the importance of a regional institution lies in the political power which it is granted, the sovereignty which the participating political units are willing to relinquish to the organization. In this regard the perceptions of the actors

involved and the ultimate status of the Council are discussed in Chapter Five. The Prairie Economic Council never received a legislative mandate comparable to that given to some other regional organizations, such as the Maritime Premiers' Conference.[7] It had no legal identity of its own. Initially the provinces seemed unwilling to allow the Council to develop in this direction and its later extra-regional orientation made such a development unnecessary. By comparison with other attempts at regional institutionalization the Prairie Economic Council clearly falls short in this regard.

The persistence of an institution is also cited in Chapter One as an indicator of its importance. In this regard the Prairie Economic Council ranks high. It met regularily over an eight year period and survived almost complete changes of personnel three times. Its transformation to the Western Premier's Conference, and thus continued existence, albeit with modified objectives, provides further evidence of its importance to the governments involved.

Finally, the creation of further sub-units, or "spin-off" institutions is also a critical indicator of the importance of an institution like the Prairie Economic Council, as well as its role in any continuing process of region-building. If region-building is taking place as a result of the existence and activity of a regional

organization, one would expect to find some further, permanent institutionalization at levels below that of the Premiers. A number of such sub-units were created within the Prairie Economic Council. They were direct instrumentalities of the Prairie Economic Council, designed to give effect to the regional goals outlined by Premiers in 1965. Some of these sub-systems, such as review committees,[8] were designed to accumulate information for the Premiers. Others, like the Inter-provincial Committee on University Rationalization were designed to be action committees.[9] Other sub-systems were designed in order that information and options on fiscal or policy decisions could be shared by corresponding Ministers in each province. The conclusion about such sub-systems, in Chapter Five, is that "our examination of intra-regional issues does not suggest that the organization was successful in establishing further significant regional political behaviour patters or institutions."[10] That is, that these sub-systems failed, in most cases, in their appointed tasks. Although committees such as Inter-provincial Committee on University Rationalization, and the Provincial Treasurers Committee, met regularly, and were therefore continuing, active-sub-systems within the Prairie Economic Council system, they generally failed in their attempt to seriously rationalize university structures on the prairies. They also failed to co-ordinate budgets,

and produce further regional sub-systems within the social and economic systems of the society at large. This is not to say that some activities were not co-ordinated, or rationalized, only to say that measured by the goals proposed, they did not succeed.[11] It must be concluded, therefore, that the degree of sub-system institutionalization seems not to have been of an important nature and of very limited mandate. There were exceptions, as already noted, but these would not be sufficient to reverse our conclusion that there was no important institutionalization beyond the Council itself.

Application of the five tests has put us in a position to draw some conclusions about the role of the Prairie Economic Council. In terms of actor level, scope and importance of issues, and persistence, the Council ranks high as an example of institutionalization. Certainly the potential for the extensive development of regional institutions was present. The examination of the other two criteria, degree of sovereignty transferred, and the creation of further sub-system institutions, provide negative indications, however. The two are linked together and indicate an unwillingness on the part of the actors involved to allow the Council or its creations substantial independence. The process of regional institutionalization did not proceed in any important way beyond the Council itself.

## Regional Bureaucratic Elites

Dimension two of our model sought to measure region-building at the elite level by determining the extent to which regional bureaucracies were developed to service the new regional organization, and their relationship to the parent political bodies. Obviously the absence of such regional bureaucrats would seriously impede the growth of regional institutions and loyalties.

The importance of bureaucratic elites to province-building is emphasized again and again in the literature.[12] Roger Gibbins uses an analogy which accords bureaucrats the position of muscles on a political skeleton.[13] The skeleton can do nothing without the tissue and sinew of muscles.

It is obvious from an examination of the minutes of the Prairie Economic Council and other material, that there was no substantial growth in regional bureaucratic elites as a result of the existence of the Prairie Economic Council. Nothing comparable to the mushrooming of provincial government agencies, either in numbers and expertise, occurred in conjunction with the Prairie Economic Council. The initial decision by the Premiers not to establish a permanent secretariat all but choked off other avenues of expansion or growth for regional bureaucrats.

There were exceptions. For example, as noted in Chapter Five, the Inter-provincial Committee on

University Rationalization established permanent committees of university officials to monitor and report on regional rationalization and activity. Clearly though, these people still owed their primary allegiance to their university and their province, not to the region. The Prairie Agricultural Machinery Institute, established at Saskatoon, is a genuine regional institution, receiving funding from all three governments, and owing allegiance to a regional board. It is a better example of an organization with regional bureaucrats. That is, one with joint management and funding arrangements, and an arms length relationship between the employees and the Member governments, However, there are few examples today of this kind of regional institution.[14]

Within provincial governments no permanent cadre of officials dedicated to the Prairie Economic Council developed. In most cases the minutes of meetings make clear that those involved with Prairie Economic Council business were bureaucrats attached to the central agencies of governments, and dealt with Prairie Economic Council matters in addition to other federal-provincial and inter-provincial responsibilities. No special agencies within provincial governments were developed to service the Prairie Economic Council.

One is forced to conclude therefore, that insofar as the application of dimension two of the model is concerned,

only minor examples of region-building occurred. Aside from the few exceptions noted in Chapter Five, and above, there was no emergence of a regional bureaucracy comparable to that which emerged at the provincial levels, or in other organizations such as the Maritime Premiers Conference.

Intra-Regional - Extra-Regional Orientation

Dimension three of our model is concerned with the intra-regional or extra-regional orientation of the Council. The accomplishments of the Prairie Economic Council have already been reviewed. The original orientation and expectations of the founding Premiers were documented several times. They intended to develop a consultative, co-operative, intra-regionally oriented regional organization. When it was transformed into the Western Premiers Conference in 1973 it had obviously become an extra-regionally oriented organization. The process by which this happened is documented in Chapter Six.

In the third dimension of our model the argument that more region-building is likely to occur when an organization is intra-regionally focussed was accepted.[15] The failure of the Prairie Economic Council to achieve its intra-regional goals and the subsequent extra-regional orientation of the organization indicated that a lower level of region-building resulted than would otherwise be the case.

The review of the intra-regional accomplishments

of the Council in Chapter Five pointed clearly to its weakness in this respect. No vast regional economic projects were undertaken by the Prairie Economic Council. No intensive co-ordination of economic policies occurred. Nothing comparable to the documented interventions of the provincial state in the economy ever occurred as a result of the formation of the Prairie Economic Council.[16] At a very modest level some sharing of information was undertaken, and options for regional development were discussed together with common development of water resources (the Nelson Basin river study), trade co-ordination (such as with Britain), and the reduction or elimination of costly competition incentives for industry.[17]

A comparison of these results to the statements of the Premiers at the founding meeting, or more dramatically, to the research documents of the Manitoba government, convincingly demonstrates the failure of the organization to achieve its expected goals.[18]

By contrast, our review in Chapter Six of the extra-regional dimension of the Council revealed a vigorous and growing commitment to aggregating regional attitudes and policies on federal-provincial problems.[19] Assessing the significance of this behaviour to the region, and the extent to which it could be accurately termed region-building, is more problematic, but not

impossible.

For example, the extra-regional dimension undoubtedly contributed to the "raising of a regional consciousness". Important political actors consistently spoke of the region, referred to the region, cast their responses on issues in regional terms, and provided analysis of impacts in terms of the region. One can say with some surety that such actions by high profile actors had some impact on the behaviour of the political elite. As well, by using the regional organization as a vehicle for response, the actors ensured that a certain "regionalization" of position would occur as a result of the need to compromise individual provincial responses in the search for an acceptable regional position.[20] Finally, there was a predisposition, resulting from this process, to select items of high regional content, and high positive value for all of the actors involved. Once again, such a selection of issues ensured a regional character of contact with the federal government, and even other provincial governments. All of these approaches and activities conform to Schwartz's assertion about using regionalism as a guide to decision-making and its impact on sharpening regional differences.

The increasing use of the Prairie Economic Council to aggregate regional views on federal-provincial issues is significant. Had this dimension not developed it is

probable that the Council would not have been an important regional organization.

The development of this orientation at least leaves open the question of the Council's role in the region. No similar attempts to aggregate regional opinion had been undertaken prior to the formation of the Council, and no rival body has been established since that time. We are able to conclude therefore, that the extra-regional dimension of the Council played a key role in what region-building occurred.

In conclusion, our application of the data in this dimension to the model tells us two important things. First, in failing to maintain a strong intra-regional orientation the potential for region-building was obviously diminished, and the ultimate importance of the Council reduced. The webs of political, economic and social interdependencies that would have been created at the elite level, and eventually in the general population, were largely absent. Second, however, by adopting a strong extra-regional function the Council maintained a strong aspect of regional collective action, thus ensuring that some region-building at the elite level continued. The strong aggregative function performed by the Council, and its successor the Western Premiers Conference, cannot be ignored.

## Actor Perceptions

The fourth dimension of the model relates to the

perceptions and expectations of the political actors involved. In particular we set out to determine what the actors involved sought to do, how their perceptions changed during the Council's existence, and how the perceptions of new actors affected the Council.

In Chapters Three and Four, we detailed the expectations of the founding Premiers. One Premier, Roblin, sought to use the Council for extensive regional economic planning and institutionalization. Another, Thatcher, wanted to use the organization to rationalize the delivery of provincial government services in the region. By contrast to the other two, Premier Manning wished to use the Council for consultation purposes. As noted in Chapter Five, Roblin's ambitions for the Council were largely frustrated,[21] as were Thatcher's hopes for extensive rationalization. The expectations of Premier Manning were largely fulfilled as the Council became a focus for provincial consultation and co-ordination on many issues. It was, as one author has described other organizations, a co-operative and not an integrative body.[22]

The perceptions of participants seem not to have changed substantially five years after the formation of the Council. As already discussed in Chapter Five, a review of the future of the Council was undertaken in 1970. Although two of the Premiers, and one of the governing parties, had changed by then, the reactions of the three

involved are amazingly similar to those who founded the Council in 1965. Premier Strom indicated that he was "very pleased with the forum provided by the Prairie Economic Council."[23] Premier Thatcher said that he found the Council to be the "most productive and valuable" of all of the conferences involving the Premiers.[24] Premier Schreyer, echoing his predecessor Duff Roblin, raised the idea that "the Prairie Economic Council might function as a supra-national authority to deal with such important matters as pollution control and abatement, freight rates, university rationalization, etc."[25] Their continuing positive attidue toward the Council is significant. It demonstrates that the most important political actors of the region continued to view regional goals as legitimate and worthwhile.

As already discussed, the perception of Premier Lougheed that the organization should be transformed from a "prairie" organization to a "western" one, produced a significant change in direction for the Council. It gave impetus to a change which was already occurring in the Council's direction after 1966, a change toward extra-regional concerns. It should be stressed that Lougheed did not accomplish this change alone. Rather, he provided sufficient impetus at an opportune time. It must have been obvious to the other Premiers that the inclusion of British Columbia in the organization would mean that there

would be substantially less chance of intra-regional action on matters like agriculture and transportation. If it was obvious to the Premiers, there is unfortunately no recorded comment by representatives of the other governments.

The application of the data to this dimension is important for a number of reasons. First, it demonstrates that the most important political actors of the region formed an organization which largely conformed to the lowest common denominator of their expectations. Attempts to make it a supra-provincial institution were mentioned, but not adopted. Second, the consultation on, and co-ordination of, views on regional matters became an accepted part of regional politics, especially with regard to federal-provincial matters. Third, despite the objectives and preferences of the actors involved, the Prairie Economic Council adopted new functions in response to changed external circumstances, consistent with historical precedents and activities in the region. Thus, the new aggregation of political attitudes in the Council, though made necessary by changed circumstances in federal-provincial relations, was an acceptable response in the context of the political culture of western Canada. Finally, the creation and continued existence of the organization created a positive attitude among the political elite toward regional action. The level of commitment

seems not to have been consistently high, and at times selective, but nevertheless present and consequential.

## Conclusions

This completes a review of the data using our four part model. The results of that application provide modest support for the major hypothesis. In addition the model allowed us to evaluate the Prairie Economic Council in a manner which permits us to say several things about the strength of region-building involved. First, the lack of a strong intra-regional function obviously limited the role of the Council as a regional organization. It was unable to interact with individuals and groups beyond the political and bureaucratic elites involved with the Council itself.[26] Second, the unwillingness of the participating governments to vest even minimal amounts of political power or sovereignty in the organization precluded it from developing as an independent political institution or acting as a strong integrative force in the region. While it had some impact on the political elite which were involved with it, once again its impact beyond that group was severely limited. Third, the primary functions of the organization were consultative and aggregative. It became an excellent forum for the discussion of regional problems and the aggregation of

regional attitudes toward federal-provincial problems. One of the obvious successes of the organization is the legitimization of that function. Fourth, the model has enabled us to conclude that the Council was both an indicator of region-building at the elite level on the prairies during the period of time examined, and a contributory agent to further region-building, as it increased its legitimacy with the political actors involved. It was both a dependent and independent variable in the process.

In the final analysis the model was successful in doing what it was asked to do. It allows us to conclude that there was increased regionalism at the elite level during this period of time, and that such regionalism was ultimately to be directed toward aggregating regional opinion on federal-provincial matters.

The model also has some weaknesses, however. Foremost among them is its inability to quantify the impact of regional political behaviour. There is no scale of regionalism against which to measure the impact of such behaviour. However, it is a weakness shared by many other attempts to examine regional political behaviour. Second, flowing from the first weakness, and also from a certain unrelatedness of its internal dimensions, the model is not highly predictive in capability. It does not propose in any rigorous way, relationships amongst

its dimensions which would allow the researcher to predict any future degree of region-building which might occur. In fairness, however, it did not seek to do so. It was not predicated upon the structures of several "if-then" statements, but rather upon the premise that the model might usefully categorize the activities of the Council in a way which would allow some future researcher to correlate this study with others to generate grander hypotheses about such behaviour. Finally, one of its obvious strengths, its adaptation from models of province-building, is also one of its weaknesses. It presumes the saliency of the political variable, the importance of political actors and structures in our system. That view is widely shared by scholars of federalism. However, no such political structures, or more precisely, constitutional political structures exist or ever existed at the regional level on the prairies, and obvious difficulties of analysis result from such a direct adaptation. In defence it should be said however that relatively important political structures need not be constitutionally entrenched themselves, but only imbedded in the political life of the region, and sanctioned by constitutionally entrenched participating actors.

## The Politics of the Prairie Economic Council

It remains now to say something about the politics

of the Prairie Economic Council and its place in the Canadian federal system. The period 1965 to 1973 was one during which considerable political change took place on the prairies. In Alberta the thirty-six year reign of the Social Credit Party ended. They were replaced by a rejuvenated Conservative Party, with more aggressive views on Canadian federalism. In Manitoba the election of the New Democratic Party in 1969 brought the left to power for the first time. In Saskatchewan the CCF was defeated in 1964, but returned as the NDP in 1971. In all three cases the changes signalled the end of a political era. New political leaders and new political forces were at work on the prairies.

These changes, and the political imperatives have been commented on in Chapter Four. Two important aspects should be reiterated, however. First, the political goals of the provincial politicans involved obviously became more inter-twined with the goals of the Council as the extra-regional dimension of the organization was emphasized. The objectives of intra-regional action were co-ordination, rationalization, co-operation. While these had some limited political benefit, they were also costly in terms of political independence. By contrast, extra-regional matters most often concerned the actions of the federal government, and the impact of those actions on the region. The political costs of action in this area

by the provincial governments was usually low, and the potential political benefits high. This relationship seems, appropriately, to have been most fully grasped by Lougheed, Thatcher, and Blakeney. Second, the low number of regional interest groups, and thus the low level of regional political pressure, meant that the momentum for intra-regional goals depended on the participating Premiers, Ministers, and their officials. Realistically, this ensured that in the absence of some overriding political imperative the organization would develop an intra-regional focus only with great difficulty. It is clear that the ultimate shape of the Council reflected the domestic political imperatives of the Premiers as well as other individual and systemic forces.

Changes were occurring in Canada's federal system as well, bringing a new role for the provinces in the federation. The mixture of these new leaders and new roles produced a distinctly new regional organization, which after some years and internal changes, became a necessary part of political life in western Canada. The importance of the Prairie Economic Council lies not so much in what specific issues it dealt with, or what accomplishments it managed, but rather in the fact that it served as a bellwether for the federal system in western Canada. It, and its successor the Western Premiers Conference, provided an accurate reflection of the mood which prevailed in

western Canada, and of the issues which were important to it. No other instrumentality in western Canada, no single provincial government could do that. Far from being of little consequence, the development of the Prairie Economic Council in 1965 has proven to be an important event in the continuing development of Canada's federal system.

## CHAPTER EIGHT

## FOOTNOTES

[1]Schwartz, See Chapter One, Footnote 16.

[2]See Chapter Five, Footnote 45, and Footnote 86.

[3]See Chapter One, Footnote 43.

[4]See Introduction, Footnote 8.

[5]See Minutes and Proceedings, July 17, 1967.

[6]See Agendas, 1965, 1966, 1967.

[7]See Lomas article, Chapter One, Footnote 49.

[8]See Chapter Five, Footnote 60. The most significant of these were committees reviewing resource development.

[9]See Chapter Five, Footnote 42.

[10]Ibid., p. 166.

[11]Ibid.

[12]Black and Cairns, p. 41.

[13]Gibbins, p. 208.

[14]Some regional institutions have been established since the Prairie Economic Council was transformed into the Western Premiers' Conference. These include such examples as a regional veterinary college, and the Canadian Plains Research Centre at Regina.

[15]See Chapter One, Footnote 52.

[16]See Pratt article cited in Chapter One.

[17]See Chapter Five, Footnotes, 18, 19, 20, 21, 22, 23, 56, 57, 59, 60, 63.

[18]See Chapter Three.

[19]See Chapter Six, Footnotes 22, 23,

[20]See Record of Proceedings, July 26, 1972, pp. 61-63. This is evident in the discussion cited. Although the Alberta government had virtually opposite views from the other two governments, the three participants concentrated on process, searching for a regional consensus.

[21]See p. 162.

[22]Haas, p. 7.

[23]Schreyer notes, 1970, p. 7.

[24]Ibid.

[25]Ibid., p. 8.

[26]The exception to this statement, already noted, is the "second generation" interaction in such regional organizations as the Canada West Foundation. In that forum genuine regional interaction continues. However, the Council itself never invited such participation in its own activities.

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